Appropriations Committee Budget Proposal



Mid-Biennium Budget Adjustments FY2019-20 and FY2020-21

March 2020

Members of the Appropriations Committee

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Highlights

General Fund Financial Status

Overall the financial status for the current biennium (FY20 / FY21) has improved significantly as compared to Sine Die of the 2019 Legislative Session. At Sine Die, the variance from the minimum General Fund reserve (commonly referred to as the surplus or shortfall) was estimated to be only \$.2 million while the current financial status is \$133.8 million. However, there have been a large number of changes, both positive and negative

The cause of this improvement was mostly attributed to increases in General Fund revenues. Actual and projected revenues have increased by \$537.4 million since Sine Die 2019. Actual receipts for FY2018-19 were \$131.4 million above forecast. In October 2019, the FY19-20 and FY20-21 forecasts were revised by the Nebraska Economic Forecast Advisory Board (NEFAB) by a total of \$266.0 million; \$160.9 million in FY19-20 and \$105.1 million in FY20-21. And on February 28, 2020 the NEFAB increased their forecasts again, \$115 million in FY19-20 and \$25 million in FY20-21

However the FY18-19 and FY19-20 additional revenues are considered "above the certified forecast" and under current law are required to be transferred to the Cash Reserve Fund, a total of \$407.3. This consists of the \$131.4 million that FY18-19 exceeded forecast, and \$275.9

Changes in the Financial Status – Curre	nt Bie	nnium	l					
Millions of Dollars	FY19	FY20	FY21	Total				
Variance - Sine Die 2019 Session				0.2				
Change in actual receipts & revised forecasts "Above certified" actual & forecast to CRF-automatic Lapse of FY19 unexpended funds Exclude allocation for deficits Change in Minimum Reserve, accounting adjustment	131.4 0.0 0.0 0.0 (2.6)	74.3 5.0	130.1 (275.9) 0.0 0.0 (12.0)	74.3				
2020 State Claims (LB 927) Lapse excess FY19 reappropriation (mostly Courts) Committee - Governors Emergency Program Committee - All Other GF Changes (net) Transfer-Out Critical Infrastructure Facilities Transfer-Out Rural Workforce Housing Investment Fund	0.0 0.0 0.0 0.0 0.0 0.0	(0.9) 10.7 (55.2) (8.2) (3.8) 0.0	0.0 0.0 0.0 (6.2) 0.0 (10.0)	10.7 (55.2) (2.0)				
Variance - Committee Proposed Budget				133.8				
For expenditure items, a positive number indicates lower expenditures which are a positive								

addition to the variance from the minimum reserve.

million from the increase in forecast for FY20-21, \$160.9 from the October 2019 revised forecast and \$115 million from the revised February 2020 forecast.

Available funds were further enhanced by expiration and lapse of \$74 million of unexpended funds from the FY18/FY19 biennium.

The Committee Proposed Budget

includes adjustments amounting to \$57.2 million over the two year period. Cost of the 2019 flood damage accounts for \$55.1 million of this net change. A more detailed breakdown of all the General Fund changes can be found starting on page 15. And, there is a positive structural balance of \$155 million when comparing on-going appropriations and on-going revenues.

The projected financial status for the *following biennium* shows a balance \$442.9 million above the minimum reserve. Revenue growth (rate and base adjusted) in the next biennium is projected at 3.6% per year average using the capped historical average methodology (see page 11). This methodology is used in the absence of an official forecast. This is slightly below the historical average in light of the 4.5% average of the preceding three years.

Calculation of the projected budget for the following biennium is shown in Appendix D on page 43. The projected budget increases are based on historical increases for specific areas and existing law in particular the TEEOSA school aid formula. The net result of the item by item calculation is an overall spending growth of 5.0% in FY21-22, 4.1% in FY22-23 for a two year average of 4.6%. These calculations do not include the annualized impacts of 2020 budget actions which are shown separately on the financial status. When incorporating these impacts the spending growth declines to a 4.0% average (3.8% in FY21-22, 4.2% in FY22-23).

General Fund Revenues

Revenue estimates for FY2019-20 and FY2020-21 are the February 2020 forecasts from the Nebraska Economic Forecast Advisory Board (NEFAB). These forecasts yield a projected adjusted revenue growth of 5.2% in FY19-20 and 0.6% in FY20-21, an average growth of 2.9%. While this two year growth is significantly below the historical average, the high FY2018-19 growth of 8.7% brings the three year average growth to 4.8%

For the following biennium or what's commonly referred to as the "out years", the preliminary estimates for FY2021-22 and FY2022-23 are prepared by the Legislative Fiscal Office (LFO) using the "capped" historical average methodology. This "smoothing" technique derives "out year" revenue estimates by calculating the level of revenues that would yield a five year average growth (FY19 to FY23) roughly equal to the 38 year historical average (4.9%) less .25% which is the projected impact of indexing the tax brackets as enacted in LB987 (2014). Under this method, revenue growth for the two years would average 3.6%.

General Fund Budget Adjustments

The Appropriations Committee budget proposal for current year deficits (FY2019-20) and adjustments for FY2020-21, the second year of the biennial budget, is a net \$57.2 million increase over the two year period of which \$55.2 million relates to the 2019 flood damage. This does not include the \$10.7 million reduction in reappropriation of prior year unexpended funds. A more detailed listing of the most significant General Fund adjustments is shown on page 16 while a complete listing is included in Appendix A.

Committee Proposed Budget Adjustments (General Funds)	FY2019-20	FY2020-21	2 Yr Total
Military Dept-Governors Emergency Program	55,240,974	0	55,240,974
DHHS-Increased costs, need to utilize staffing agencies (Lincoln & Norfolk)	5,000,000	5,000,000	10,000,000
Revenue-Adjust Homestead Exemption to actual under current law	4,100,000	5,000,000	9,100,000
DHHS-Lincoln Regional Center, ligature mitigation	8,800,000	0	8,800,000
Corrections-Pay Increases for Protective Services Staff	2,300,000	5,700,000	8,000,000
DHHS-Completed ICAP assessments, DD waiver services	0	4,943,181	4,943,181
DHHS-Increase certain behavioral health provider rates(LB 1100)	0	4,140,249	4,140,249
NU+Colleges+DED - Nebraska Career Scholarships	0	4,000,000	4,000,000
DHHS-Increase developmental disability provider rates (LB 827)	0	3,730,149	3,730,149
DHHS-Higher DD waiver Sec 83-1216 priority 1 individuals	0	3,689,017	3,689,017

continued	FY2019-20	FY2020-21	2 Yr Total
Construction-DAS - Capitol HVAC Project, cash flow	0	3,500,000	3,500,000
Construction-DAS - Capitol Dome long term repair	1,766,200	0	1,766,200
DHHS-Increase funding, aid to local public health departments (LB 1018)	0	1,500,000	1,500,000
DHHS-Additional General Fund support, Area Agencies on Aging	0	1,262,878	1,262,878
Courts - Problem solving courts (mental health, young adults)	0	1,095,675	1,095,675
Corrections-Workforce development partnership with PSC	488,166	523,465	1,011,631
Comm Colleges-Increased aid for dual enrollment (LB 894)	0	1,000,000	1,000,000
Coord Comm-Increase funding, Opportunity Grant Program (LB 1050)	0	1,000,000	1,000,000
DHHS-Child Welfare savings, new eastern service area contract	(6,000,000)	(27,000,000)	(33,000,000)
Education-TEEOSA state aid, to NDE calculated per current law	(319,400)	(20,300,839)	(20,620,239)
DHHS-realign appropriation with current spend rates (aid+oper)	(8,600,000)	(8,600,000)	(17,200,000)
All Other (net)	598,429	3,637,231	4,235,660
Total General Fund – Committee Proposal	63,374,369	(6,178,994)	57,195,375

Cash Reserve Fund

At the end of the 2019 legislative session, the unobligated balance was projected at \$322.4 based on an estimated \$45 million transfer related to the April NEFAB forecast for FY2018-19 being above the certified amount. The projected unobligated balance increased to \$455.2 million when FY2018-19 actual receipts were \$131.4 million above the April forecast.

In October 2019, the Nebraska Economic Forecast Advisory Board (NEFAB) increased the FY2019-20 forecast by \$160.9 million. Because the FY2019-20 forecast had already been "certified", this \$160.9 million is considered as "above certified" and would be credited to the Cash Reserve Fund if receipts come in at the forecast level

In February 2020, the NEFAB increased the FY2019-20 forecast by \$115 million. Similar to October 2019, this \$115 million is considered as "above certified" and would be credited to the Cash Reserve Fund if receipts come in at the forecast level. This raises the projected unobligated balance to \$731 million

The Governors 2020 recommendation contains transfers to several different funds for several one-time projects as shown below. Total use of the Cash Reserve Fund amounts to \$107.8 million. The Appropriations Committee proposed budget does not include use of any Cash Reserve Fund monies. The committee provided funding for the same projects as the Governor but utilized General Funds rather than Cash Reserve Fund transfers. A more detailed discussion of the Cash Reserve Fund is provided on page 7.

Bills Incorporated into the Committee Proposal

Excluding the Governors mainline budget bills, 35 bills were referred to the Appropriations Committee, most simply appropriating monies for a specific purpose. Many of these were requests for funding that had been considered in the 2019 session but unfunded due to lack of available funds. Of those bills, 19 have been incorporated into the committee proposed budget in some manner and are shown below. Descriptions of the larger items are included under the respective agencies.

Bill / Description	Status	Ag	FY2019-20	FY2020-21
LB 773 Appropriate funds for the Rural Workforce Housing Investment Fund	LB 1008	72	0 \$10	M GF transfer
LB 779 Appropriate funds, DHHS, child advocacy centers	LB 1008	25	0	250,000
LB 827 Appropriate funds, increase developmental disability provider rates	LB 1008	25	0	3,730,149
LB 894 Appropriate funds, community college aid, dual enrollment	LB 1008	83	0	1,000,000
LB 995 Appropriate funds, Public Advocacy, legal education & rural practice loan	LB 1008	94	0	cash transfer
LB 1017 Appropriate funds, problem solving courts for mental health	LB 1008	5	0	637,788
LB 1018 Appropriate funds, aid to local public health departments	LB 1008	25	0	1,500,000
LB 1019 Appropriate funds, federally qualified health centers	LB 1008	25	0	500,000
LB 1026 Appropriate funds, NU Daugherty Water for Food Institute	LB 1008	51	0	500,000
LB 1050 Appropriate funds, Opportunity Grant Program	LB 1008	48	0	1,000,000
LB 1079 Appropriate funds, processing of sexual assault forensic evidence	LB 1008	64	0	250,000
LB 1093 State intent, appropriations for nursing facility services under Medicaid	LB 1008	25	0	YES
LB 1096 Appropriate funds, vocational and life skills programming DCS	LB 1008	46	0	500,000
LB 1097 Appropriate funds, problem-solving courts for young adults.	LB 1008	5	0	457,887
LB 1098 Appropriate funds to DED, development districts	LB 1008	72	0	230,000
LB 1100 State intent regarding appropriations for mental health services	LB 1008	25	0	4,140,249
LB 1102 Appropriate funds, emergency medical care provider training	LB 1008	25	0	250,000
LB 1161 Appropriate funds, competency restoration treatment	LB 1008	25	0	300,000
LB 826 Change transfers from the Charitable Gaming Operations Fund	LB 1009	16	0	01
Total - 2020 Bills Incorporated into Committee Proposal		_	0	15,246,073

Available for Legislative Bills

The current financial status with the Committee proposed budget adjustments yields a projected balance that is \$133.8 million above the 3% minimum reserve. For the following biennium the projected balance is \$431 million above the minimum reserve which is again applicable after this biennium. This is based on estimated revenue and spending levels noted above and discussed elsewhere in this report. These amounts constitute what is available for A bills or revenue reduction bills.

General Fund Financial Status

Appropriations Committee Budget Proposal

	Actual		Budget		ving Biennium
FINANCIAL STATUS	FY2018-19	FY2019-20	FY2020-21	FY2021-22	FY2022-23
1 Beginning Balance					
2 Beginning Cash Balance	\$453,601,627	\$736,509,690	\$552,839,701	\$427,311,491	\$595,982,693
3 Cash Reserve Fund transfer-automatic	(61,995,773)			0	0
4 Carryover obligations from FY19	O O	(243,471,041)	O O	0	0
5 LB 1008 Lapse FY19 reapproriations	0	10,700,601	0	0	0
6 Allocation for potential deficits	0	0	(5,000,000)	(5,000,000)	(5,000,000)
7 Unobligated Beginning Balance	391,605,854	327,361,072	271,946,701	422,311,491	590,982,693
8 Estimated Receipts					
9 Net Receipts (February 2020 NEFAB + hist a			5,175,000,000		
10 General Fund transfers-out (current law	, , , , , ,	(286,800,000)	(286,800,000)	(286,800,000)	(286,800,000)
11 Cash Reserve Fund transfers (current la		0	0	0	0
LB 1009 General Fund transfers-in	0	0	500,000	0	0
LB 1008 & 1009 General Fund transfer		(3,800,000)	(10,000,000)	0	0
14 Bills Enacted Into Law	0	0	0	0	0
15 Bills Passed	0	0	0	0	0
16 General Fund Net Receipts	4,711,472,504	4,914,400,000	4,878,700,000	5,077,200,000	5,261,200,000
¹⁷ Appropriations					
18 Expenditures / Appropriations (2019 Se					
19 LB 1008 Mainline Midbiennium adjustm		63,374,369	(6,178,994)	(64,498,258)	(63,421,732)
20 LB 927 State Claims	0	875,144	0	0	0
21 General File amendments	0	0	0	0	0
22 Select File amendments	0	0	0	0	0
Vetoes-Mainline bills	0	0	0	0	0
 Veto overrides-Mainline bills Bills Enacted Into Law 	0	0	0	0	0
25 Bills Enacted Into Law 26 Bills Passed	0	0	0	0	0
27 General Fund Appropriations		4,688,921,371			
1	1,000,000,000	1,000,021,011	1,720,000,210	1,000,020,700	0,107,020,002
Ending Balance	200 E00 E00	EEO 020 704	107 211 104	EUE 000 600	744 EEO 644
\$ Ending balance (Financial Status as S \$ \$ Ending balance at Minimum Reserve		552,839,701	427,311,491 293,514,714	595,982,693	744,559,641 313,564,412
· ·	· /			_ 	
Difference = Variance from Minimum F Biennial Reserve (%)	reserve		133,796,777 4.4%		430,995,229 7.4%
33 Annual Spending Growth (Approp w/o	deficits) -0.7%	3.8%	2.1%	3.8%	4.2%
33 Airitidal Speriding Growth (Approp Wo	-0.5%		3.0%		4.0%
Est. Revenue Growth (rate/base adjust	ed) 8.7%	5.2%	0.6%	3.6%	3.6%

CASH RESERVE FUND	FY2018-19	FY2019-20	FY2020-21	FY2021-22	FY2022-23
Beginning Balance	339,990,065	333,549,124	509,927,302	731,120,302	731,120,302
Transfer amounts above forecasts (line 3)	61,995,773	176,378,178	275,893,000	0	0
To/from Gen Fund per current law	(48,000,000)	0	0	0	0
To Nebr Capital Construction Fund (NCCF)	(20,436,714)	0	(54,700,000)	0	0
Projected Ending Balance	333,549,124	509,927,302	731,120,302	731,120,302	731,120,302

Chronology of the Financial Status

	(Current Bieni	nium	Following Biennium		
Millions of Dollars	FY19-20	FY20-21	3 Yr Total	FY21-22	FY22-23	5 Yr Total
Sine Die 2019 Session (May 31, 2019)			0.2			89.5
FY19 Actual receipts vs April 2019 Forecast FY20 & FY21 Revenue Forecasts (revised Oct 2019) "Above certified" actual & forecast to CRF-automatic FY19 Actual vs Est Accounting adjustment Lapse of FY19 unexpended funds Exclude allocation for deficits 2020 Midbiennium Budget Adjustments (estimated) TEEOSA School Aid revisions (Oct 2019 joint meeting) Change in Minimum Reserve	0.0 160.9 (131.4) 0.0 74.3 5.0 (53.6) 0.0	0.0 105.1 (160.9) 0.0 0.0 22.0 (11.9) (12.2)	131.4 266.0 (292.3) 0.0 74.3 5.0 (31.6) (11.9) (14.8)	0.0 48.9 0.0 0.0 0.0 22.0 40.0 0.0	0.0 0.0 0.0 0.0 0.0 22.0 48.5 6.8	131.4 314.9 (292.3) 0.0 74.3 5.0 12.3 76.6 (8.0)
November 2019 Tax Rate Review Committee			126.3			403.7
2020 State Claims (LB 927) Lapse excess FY19 reappropr (mostly Courts) Governors Emerg Program, net change Homestead Exemption deficit DCS - New salary contract DCS - workforce development partnership with PSC Colleges, University, DED - Nebraska Career Scholarship TEEOSA revisions (Jan 2020 NDE vs Oct 2019 est) All Other spending items GF Transfer-Out Critical Infrastructure Facilities	(0.8) 10.7 (2.2) (4.1) (2.3) (0.5) s 0.0 0.0 (0.7) (3.8)	0.0 0.0 (5.0) (5.7) (0.5) (4.0) 32.2 (0.3) 0.0	(0.8) 10.7 (2.2) (9.1) (8.0) (1.0) (4.0) 32.2 (1.0) (3.8)	0.0 0.0 (5.0) (8.7) (0.7) (8.0) 41.0 (0.3) 0.0	0.0 0.0 (5.0) (11.7) (1.0) (12.0) 37.9 (0.3) 0.0	(0.8) 10.7 (2.2) (19.1) (28.4) (2.7) (24.0) 111.1 (1.6) (3.8)
Committee Preliminary Budget - 2020			139.3			442.9
Revenue Forecasts (revised Feb 2020) "Above certified" forecast to CRF Additional 2020 State Claims (LB 927) GF Transfer In - interest income Water Sustainability Funder Transfer Out - Rural Workforce Housing Investment FDHHS-Certain behavioral health provider rates (LB 1100) DHHS-developmental disability provider rates (LB 827) Construction-DAS - Capitol HVAC Project, cash flow DHHS-aid to local public health departments (LB 1018) DHHS-Increase GF support, Area Agencies on Aging Courts - Problem solving courts (mental health, young add Comm Colleges-Increased aid for dual enrollment (LB 894) Coord Comm-Opportunity Grant Program (LB 1050) All Other appropriation changes Change in Minimum Reserve	und 0.0 0.0 0.0 0.0 0.0 0.0 ults) 0.0	25.0 (115.0) 0.0 0.5 (10.0) (4.1) (3.7) (3.5) (1.5) (1.3) (1.1) (1.0) (1.0) (3.3) (0.4)	140.0 (115.0) (0.1) 0.5 (10.0) (4.1) (3.7) (3.5) (1.5) (1.3) (1.1) (1.0) (1.0) (3.3) (0.4)	25.0 0.0 0.0 0.0 (4.1) (3.7) 1.4 (1.5) (1.3) (1.1) (1.0) (1.0) (3.3) 0.0	0.0 0.0 0.0 0.0 (4.1) (3.7) 2.1 (1.5) (1.3) (1.1) (1.0) (1.0) (3.3) (0.7)	165.0 (115.0) (0.1) 0.5 (10.0) (12.4) (11.2) 0.0 (4.5) (3.8) (3.3) (3.0) (3.0) (9.9) (1.0)
All Other appropriation changes	(0.0)	(3.3)	(3.3)	(3.3)	(3.	.3)

Cash Reserve Fund

The Cash Reserve Fund (CRF) is not included as part of the "General Fund Reserve" (which is the ending General Fund balance for a biennium) and was created as a separate and distinct fund to cover cash flow needs within a month or several month period. The Cash Reserve Fund also serves as a "rainy day fund" in that revenues in excess of a "certified forecast" are transferred from the General Fund to Cash Reserve fund at the end of a fiscal year. As the certified forecast is basically the revenue estimate at Sine Die when the budget is finalized, these transfers sequester revenues in excess of that which is needed to balance the budget.

At the end of the 2019 legislative session, the unobligated balance was projected at \$322.4 based on an estimated \$45 million transfer related to the April Nebraska Economic Forecast Advisory Board (NEFAB) forecast for FY2018-19 being above the certified amount. The projected unobligated balance increased to \$455.2 million when FY2018-19 actual receipts were \$131.4 million above the April forecast.

In October 2019, the NEFAB increased the FY2019-20 forecast by \$160.9 million. Because the FY2019-20 forecast had already been "certified", this \$160.9 million is considered as "above certified" and would be credited to the Cash Reserve Fund if receipts come in at the forecast level. This raises the projected unobligated balance to \$616 million

In February 2020, the NEFAB increased the FY2019-20 forecast by \$115 million. Similar to October 2019, this \$115 million is considered as "above certified" and would be credited to the Cash Reserve Fund if receipts come in at the forecast level. This raises the projected unobligated balance to \$731 million

Table 1 Cash Reserve Fund

	Actual FY2018-19	Estimated FY2019-20	Estimated FY2020-21	Estimated FY2021-22	Estimated FY2022-23
Beginning Balance	339,990,065	333,549,124	509,927,302	731,120,302	731,120,302
Excess of certified forecasts (line 3 in Status)	61,995,773	176,378,178	275,893,000	731,120,302	
To/from Gen Fund per current law	(48,000,000)	170,370,170	273,093,000	0	0
To Nebr Capital Construction Fund (NCCF)	(20,436,714)	0	(54,700,000)	0	0
2020 Session - Transfers to/from Gen Fund	0	0	0	0	0
2020 Session - Transfers to/from NCCF	0	0	0	0	0
Ending Balance	333,549,124	509,927,302	731,120,302	731,120,302	731,120,302

The Governors 2020 recommendation contained transfers to several different funds for several one-time projects with a total use of Cash Reserve Funds amounting to \$107.8.

The Appropriations Committee proposal does not use any Cash Reserve Fund monies. The committee provided funding for the same projects as the Governor but utilized General Funds rather than Cash Reserve Fund transfers.

Excess of Certified Forecasts

Shown on line 3 of the Financial Status, revenues in excess of "certified" forecasts are required by statute to be transferred from the General Fund to the Cash Reserve Fund. These would take place in July of the fiscal year following completion of that year.

Actual receipts for FY2017-18 (\$4,566,995,773) were \$61,995,773 above the certified forecast of \$4,505,000,000 which is the transfer number shown in the FY2018-19 column. Actual receipts for FY2018-19 (\$4,896,378,178) were \$176,378,178 above the certified forecast of \$4,720,000,000 which is the transfer number shown in the FY2019-20 column.

The current forecast for FY2019-20 is \$5,205,000,000 which is \$275,893,000 above the forecast certified last July. Although the actual receipts won't be known until later, at this time we assume we will be accurate in our forecast and the amount is shown as transferred to the Cash Reserve Fund in the FY2020-21 column.

Transfers-To & From General Fund

Unlike the automatic transfers that occur after the close of the fiscal year and are statutorily required, other transfers can take place as specifically enacted by the Legislature. In the 2017 Session, the Legislature transferred a total of \$173 million to the General Fund to assist in balancing the budget and to help replenish the reserve to the statutory minimum level consisting of \$125 million in FY18 and \$48 million in FY19.

Transfers To & From Other Funds

In the 2015 session, the enacted budget called for a \$28.2 million of transfers to the NCCF for the State Capitol HVAC project. This included \$7,804,292 in FY2015-16, and future transfers of \$7,160,412 in FY2018-19, \$9,492,568 in FY2020-21, and \$3,783,734 in FY2022-23. During the 2017 session the total transfer amount didn't change but the cash flow of the transfers was changed to \$10,005,129 in FY2018-19 and \$10,431,585 in FY2020-21. In the 2018 session, the FY2020-21 transfer was moved to FY2018-19 providing a total of \$20,436,714.

In the 2019 session, the enacted budget transfers \$54.7 million from the Cash Reserve Fund to the Nebraska Capital Construction Fund to cover several construction projects primarily two additional high security housing units (384 beds) for the Dept. of Correctional Services.

Analysis of the Level of Cash Reserve Fund Balance

The initial purpose of the Cash Reserve Fund (CRF) was to set aside money as a "safety net" for the General Fund, sustaining the ability of the General Fund to pay bills when balances would otherwise be insufficient for day to day cash flow. In addition to cash flow another major purpose of the CRF was added later; protection against forecast errors and periods of low year over year revenue growth. Monies are accumulated in the CRF when receipts exceed certified forecast levels and are then available to offset instances when receipts are below forecasts.

The level of "protection" or in other words the level of funds to retain in the Cash Reserve fund, can be derived by looking at historical variances derived by comparing forecasts at Sine Die of the legislative session when the budget was enacted and actual receipts which are known anywhere from 13 to 15 months later (see Table 8).

Table 2 Variance from Revenue Projections

	Projected	Actual	\$	% Vari	ance
FY	Sine Die **	Receipts	Variance	Negative	Positive
FY 1986-87	878.0	886.4	8.4		1.0%
FY 1987-88	924.3	1,016.3	92.0		10.0%
FY 1988-89	988.4	1,133.5	145.1		14.7%
FY 1989-90	1,110.9	1,152.7	41.8		3.8%
FY 1990-91	1,334.6	1,367.1	32.5		2.4%
FY 1991-92	1,493.2	1,490.4	(2.8)	-0.2%	
FY 1992-93	1,537.3	1,524.7	(12.6)	-0.8%	
FY 1993-94	1,662.5	1,653.7	(8.8)	-0.5%	
FY 1994-95	1,729.9	1,706.0	(23.9)	-1.4%	
FY 1995-96	1,834.3	1,836.7	2.4		0.1%
FY 1996-97	1,918.0	2,009.6	91.6		4.8%
FY 1997-98	1,993.8	2,105.4	111.6		5.6%
FY 1998-99	2,102.9	2,123.9	21.0		1.0%
FY 1999-00	2,326.3	2,403.9	77.6		3.3%
FY 2000-01	2,484.3	2,456.8	(27.5)	-1.1%	
FY 2001-02	2,646.0	2,365.5	(280.5)	-10.6%	
FY 2002-03	2,725.7	2,456.4	(269.3)	-9.9%	
FY 2003-04	2,732.0	2,718.7	(13.3)	-0.5%	
FY 2004-05	2,775.5	3,037.2	261.7		9.4%
FY 2005-06	3,092.3	3,352.2	259.9		8.4%
FY 2006-07	3,217.0	3,408.3	191.4		5.9%
FY 2007-08	3,389.2	3,506.1	116.9		3.5%
FY 2008-09	3,531.7	3,357.5	(174.3)	-4.9%	
FY 2009-10	3,446.7	3,204.7	(242.0)	-7.0%	
FY 2010-11	3,422.2	3,499.7	77.4		2.3%
FY 2011-12	3,591.1	3,695.9	104.8		2.9%
FY 2012-13	3,767.1	4,052.4	285.3		7.6%
FY 2013-14	4,020.7	4,117.4	96.7		2.4%
FY 2014-15	4,220.5	4,305.1	84.6		2.0%
FY 2015-16	4,481.9	4,308.0	(173.9)	-3.9%	
FY 2016-17	4,578.4	4,265.8	(312.6)	-6.8%	
FY 2017-18	4,605.4	4,567.0	(38.4)	-0.8%	
FY 2018-19	4,739.7	4,896.4	156.6		3.3%
FY2019-20 NEFAB	4,929.1	5,205.0	275.9		5.6%
FY2020-21 NEFAB	5,044.9	5,175.0	130.1		2.6%

Over the 33 year period the average negative variance is -4.5% clustered in groups of 3 to 4 years. For simplicity, a 4% negative variance would require a balance equal to about 16% of annual net receipts using a four consecutive year cluster or 12% with a three consecutive year cluster. Applied to the average forecast from FY19 to FY21 the target balance would range from \$605 million (12%) to \$805 million (16%) depending on a three or four year cluster.

Table 3 Cash Reserve Fund – Historical Balances

		Direct					Balance
	Beginning	Deposit	Automatic	Legislative	Cash	Ending	as % of
Fiscal Yr	Balance	and Interest	Transfers	Transfers	Flow	Balance	revenue
FY1983-84	0	37,046,760	na	0	0	37,046,760	4.7%
FY1984-85	37,046,760	(1,472,551)	na	0	0	35,574,209	4.5%
FY1985-86	35,574,209	227,855	na	(13,500,000)	0	22,302,064	2.7%
FY1986-87	22,302,064	1,428,021	na	0	0	23,730,085	2.7%
FY1987-88	23,730,085	1,654,844	na	(7,700,000)	0	17,684,929	1.7%
FY1988-89	17,684,929	139,000	na	32,600,000	0	50,423,929	4.4%
FY1989-90	50,423,929	113,114	na	(10,500,000)	0	40,037,043	3.5%
FY1990-91	40,037,043	0	na	(8,100,000)	0	31,937,043	2.3%
FY1991-92	31,937,043	0	na	(5,000,000)	0	26,937,043	1.8%
FY1992-93	26,937,043	0	na	(9,500,000)	0	17,437,043	1.1%
FY1993-94	17,437,043	0	3,063,462	7,250,000	0	27,750,505	1.7%
FY1994-95	27,750,505	0	(8,518,701)	1,250,000	0	20,481,804	1.2%
FY1995-96	20,481,804	0	(20,481,804)	18,189,565	0	18,189,565	1.0%
FY1996-97	18,189,565	0	19,740,786	3,032,333	0	40,962,684	2.0%
FY1997-98	40,962,684	0	91,621,018	0,002,000	0	132,583,702	6.3%
FY1998-99	132,583,702	0	111,616,422	(98,500,000)	0	145,700,124	6.9%
FY1999-00	145,700,124	0	20,959,305	(24,500,000)	0	142,159,429	5.9%
FY2000-01	142,159,429	0	77,576,670	(49,500,000)	0	170,236,099	6.9%
FY2001-02	170,236,099	0	0	(60,170,000)	0	110,066,099	4.7%
FY2002-03	110,066,099	66,476,446	0	(87,400,000)	(30,000,000)	59,142,545	2.4%
FY2003-04	59,142,545	59,463,461	0	(61,577,669)	30,000,000	87,028,337	3.2%
FY2004-05	87,028,337	8,170,556	108,727,007	(26,758,180)	0	177,167,720	5.8%
FY2005-06	177,167,720	0,170,000	261,715,297	(165,266,227)	0	273,616,790	8.2%
FY2006-07	273,616,790	0	259,929,524	(17,458,523)	0	516,087,791	15.1%
FY2007-08	516,087,791	0	191,436,773	(161,978,767)	0	545,545,797	15.6%
FY2008-09	545,545,797	0	116,976,571	(84,330,505)	0	578,191,863	17.2%
FY2009-10	578,191,863	0	0	(110,990,237)	0	467,201,626	14.6%
FY2010-11	467,201,626	0	0	(154,000,000)	0	313,201,626	8.9%
FY2011-12	313,201,626	8,422,528	145,155,092	(33,439,198)	(4,461,676)	428,878,372	11.6%
FY2012-13	428,878,372	0,122,020	104,789,781	(154,008,427)	4,461,676	384,121,402	9.5%
FY2013-14	384,121,402	0	285,292,610	49,651,294	0	719,065,306	17.5%
FY2014-15	719,065,306	0	96,721,232	(87,951,112)	0	727,835,426	16.9%
FY2015-16	727,835,426	0	84,599,532	(81,779,850)	0	730,655,108	17.0%
FY2016-17	730,655,108	0	04,555,552	(50,000,000)	0	680,655,108	16.0%
FY2017-18	680,655,108	150,000	0	(340, 930,772)	0	339,874,336	7.4%
FY2018-19	339,990,065	0	61,995,773	(68,436,714)	0	333,549,124	6.8%
FY2019-20 Est	333,549,124	0	176,378,521	0	0	624,927,645	12.0%
FY2020-21 Est	509,927,645	0	160,893,000	(54,700,000)	0	731,120,645	14.1%
FY2021-22 Est	731,120,645	0	0	0	0	731,120,645	13.6%
FY2022-23 Est	731,120,645	0	0	0	0	731,120,645	13.2%

General Fund Revenues

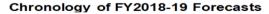
Revenue Forecasts

Revenue estimates for FY2019-20 and FY2020-21 are the February 2020 forecasts from the Nebraska Economic Forecast Advisory Board (NEFAB). These forecasts yield a projected adjusted revenue growth of 5.2% in FY19-20 and 0.6% in FY20-21, an average growth of 2.9%. While this two year growth is significantly below the historical average, the high FY2018-19 growth of 8.7% brings the three year average growth to 4.8%

For the following biennium or what's commonly referred to as the "out years", the preliminary estimates for FY2021-22 and FY2022-23 are prepared by the Legislative Fiscal Office (LFO) using the "capped" historical average methodology. This "smoothing" technique derives "out year" revenue estimates by calculating the level of revenues that would yield a five year average growth (FY19 to FY23) roughly equal to the 38 year historical average (4.9%) less .25% which is the projected impact of indexing the tax brackets as enacted in LB987 (2014). Under this method, revenue growth for the two years would average 3.6%.

Table 4 - General Fund Revenue Forecasts

	Actual FY2018-19	NEFAB FY2019-20	NEFAB FY2020-21	LFO Prelim FY2021-22	LFO Prelim FY2022-23
Actual/Forecast Sales and Use Tax Individual Income Tax	1,658,107,134 2,545,680,039	1,850,000,000 2.675,000.000	1,820,000,000 2.765,000.000	1,905,000,000 2,910,000,000	1,957,000,000 3.058,000.000
Corporate Income Tax Miscellaneous receipts	423,737,571 268,853,434	450,000,000 230,000,000	370,000,000 220,000,000	362,000,000 187,000,000	354,000,000 179,000,000
Total General Fund Revenues	4,896,378,178	5,205,000,000	5,175,000,000	5,364,000,000	5,548,000,000
Adjusted Growth					
Sales and Use Tax Individual Income Tax Corporate Income Tax Miscellaneous receipts	4.5% 9.0% 30.2% 3.9%	3.6% 3.7%	4.0% -16.6%	5.2% -2.0%	5.0% -2.1%
Total General Fund Revenues Two Yr Average Five Yr Average	8.7% 6.6% 4.0%		0.6% 2.9% 3.9%		3.6% 3.6% 4.3%



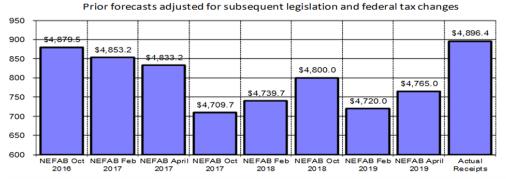
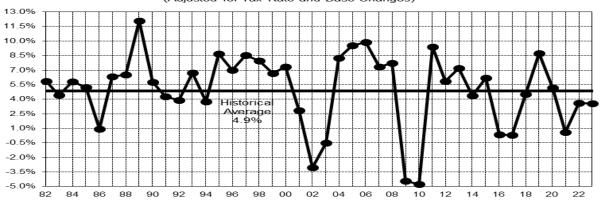


Table 5 Actual and Projected General Fund Revenues

FY 1998-99		Sales and	Individual	Corporate	Miscellaneou	Total Net	Adjusted
FY 1999-00 900,427,469 1,180,363,301 140,021,942 183,111,959 2,403,924,670 7.4 FY 2000-01 905,023,176 1,233,363,553 138,040,082 180,435,044 2,456,861,855 2.9 918,889,782 1,159,810,647 179,180,246 2,365,508,749 -3.0 FY 2002-03 1,028,931,065 1,129,421,651 111,597,405 186,449,714 2,456,399,835 -0.5 FY 2003-04 1,114,374,321 1,249,890,025 167,429,431 187,033,230 2,718,727,007 8.3 FY 2004-05 1,231,011,089 1,400,076,680 198,380,442 207,726,086 3,037,194,297 9.5 FY 2005-06 1,263,678,691 1,545,338,061 262,295,456 280,875,316 3,352,187,524 9.9 FY 2006-07 1,303,826,416 1,650,895,394 213,027,010 240,582,953 3,408,331,773 7.3 FY 2007-08 1,321,867,139 1,726,145,405 232,851,654 225,298,373 3,506,162,571 7.7 FY 2008-09 1,326,161,017 1,600,418,236 198,843,786 232,405,148 3,357,468,187 4.4 FY 2009-10 1,289,796,877 1,514,830,114 154,332,137 245,720,545 3,204,679,673 4.8 FY 2011-12 1,436,909,373 1,822,884,254 234,266,237 201,828,916 3,695,888,780 FY 2012-13 1,474,942,641 2,101,912,041 275,562,990 199,940,938 4,052,358,610 7.2 FY 2015-16 1,536,419,516 2,205,463,903 346,477,378 217,738,529 4,305,099,326 6.2 FY 2015-16 1,528,023,310 2,221,088,817 307,669,694 251,199,454 4,307,981,275 FY 2016-17 1,548,388,848 2,224,840,053 246,439,713 228,103,331 4,265,771,945 1,658,107,133 2,545,600,000 2,765,000,000 370,000,000 220,000,000 5,548,000,000 5,548,000,000 7,765,000,000 370,000,000 220,000,000 5,548,000,000 7,765,000,000 370,000,000 220,000,000 5,548,000,000 7,765,000,000 370,000,000 179,000,000 5,548,000,000 3,058,000,000 370,000,000 179,000,000 5,548,000,000 3,058,000,000 370,000,000 179,000,000 5,548,000,000 3,058,000,000 370,000,000 179,000,000 5,548,000,000 3,058,000,000 370,000,000 179,000,000 5,548,000,000 3,058,000,000 370,000,000 179,000,000 5,548,000,000 3,058,000,000 370,000,000 5,548,000,000 3,058,000,000 370,000,000 179,000,000 5,548,000,000 3,058,000,000 370,000,000 179,000,000 5,548,000,000 3,058,000,000 370,000,000 179,000,000 5,548,000,000 3,058,000,000 370,000,000 179,000,000 5,548,000,000 3,058,000,000 370,000,000 179,0	Fiscal Year	Use Tax	Income Tax	Income Tax	Taxes and	Receipts	Growth
FY 2000-01 905,023,176 1,233,363,553 138,040,082 180,435,044 2,456,861,855 2.9 FY 2001-02 918,889,782 1,159,810,647 107,628,074 179,180,246 2,365,508,749 -3.0 FY 2002-03 1,028,931,065 1,129,421,651 111,597,405 186,449,714 2,456,399,835 -0.5 FY 2003-04 1,114,374,321 1,49,890,025 167,429,431 187,033,230 2,718,727,007 8.3 FY 2004-05 1,231,011,089 1,400,076,680 198,380,442 207,726,086 3,037,194,297 9.5 FY 2006-07 1,303,826,416 1,650,895,394 213,027,010 240,582,953 3,408,331,773 7.3 FY 2007-08 1,321,867,139 1,726,145,405 232,851,654 225,298,373 3,506,162,571 7.7 FY 2008-09 1,326,161,017 1,600,418,236 198,483,786 232,405,148 3,357,468,187 -4.4 FY 2010-11 1,372,784,033 1,735,208,600 154,944,966 236,717,493 3,499,655,092 9.4 FY 2012-13 1,474,942,641	FY 1998-99	744,650,752	1,078,522,994	135,033,658	165,661,901	2,123,869,305	6.7%
FY 2001-02 918,889,782 1,159,810,647 107,628,074 179,180,246 2,365,508,749 -3.0 FY 2002-03 1,028,931,065 1,129,421,651 111,597,405 186,449,714 2,456,399,835 -0.5 FY 2003-04 1,114,374,321 1,249,890,025 167,429,431 187,033,230 2,718,727,007 8.3 FY 2004-05 1,231,011,089 1,400,076,680 198,380,442 207,726,086 3,037,194,297 9.9 FY 2005-06 1,263,678,691 1,545,338,061 262,295,456 280,875,316 3,352,187,524 9.9 FY 2007-08 1,321,867,139 1,726,145,405 232,851,654 225,298,373 3,506,162,571 7.7 FY 2008-09 1,326,161,017 1,600,418,236 198,483,786 232,405,148 3,357,468,187 -4.4 FY 2010-11 1,372,784,033 1,735,208,600 154,944,966 236,717,493 3,499,655,092 4.8 FY 2012-13 1,474,942,641 2,101,912,041 275,562,990 199,940,938 4,052,358,610 7.2 FY 2013-14 1,524,793,763	FY 1999-00	900,427,469	1,180,363,301	140,021,942	183,111,959	2,403,924,670	7.4%
FY 2002-03	FY 2000-01	905,023,176	1,233,363,553	138,040,082	180,435,044	2,456,861,855	2.9%
FY 2003-04 1,114,374,321 1,249,890,025 167,429,431 187,033,230 2,718,727,007 8.3 FY 2004-05 1,231,011,089 1,400,076,680 198,380,442 207,726,086 3,037,194,297 9.5 FY 2005-06 1,263,678,691 1,545,338,061 262,295,456 280,875,316 3,352,187,524 9.9 FY 2006-07 1,303,826,416 1,650,895,394 213,027,010 240,582,953 3,408,331,773 7.3 FY 2007-08 1,321,867,139 1,726,145,405 232,851,654 225,298,373 3,506,162,571 7.7 FY 2008-09 1,326,161,017 1,600,418,236 198,483,786 232,405,148 3,357,468,187 -4.4 FY 2010-11 1,372,784,033 1,735,208,600 154,944,966 236,717,493 3,499,655,092 9.4 FY 2011-12 1,436,909,373 1,822,884,254 234,266,237 201,828,916 3,695,888,780 5.9 FY 2012-13 1,474,942,641 2,101,912,041 275,562,990 199,940,938 4,052,358,610 7.2 FY 2013-14 1,524,793,763	FY 2001-02	918,889,782	1,159,810,647	107,628,074	179,180,246	2,365,508,749	-3.0%
FY 2004-05	FY 2002-03	1,028,931,065	1,129,421,651	111,597,405	186,449,714	2,456,399,835	-0.5%
FY 2005-06	FY 2003-04	1,114,374,321	1,249,890,025	167,429,431	187,033,230	2,718,727,007	8.3%
FY 2006-07	FY 2004-05	1,231,011,089	1,400,076,680	198,380,442	207,726,086	3,037,194,297	9.5%
FY 2007-08	FY 2005-06	1,263,678,691	1,545,338,061	262,295,456	280,875,316	3,352,187,524	9.9%
FY 2008-09 1,326,161,017 1,600,418,236 198,483,786 232,405,148 3,357,468,187 -4.4 FY 2009-10 1,289,796,877 1,514,830,114 154,332,137 245,720,545 3,204,679,673 -4.8 FY 2010-11 1,372,784,033 1,735,208,600 154,944,966 236,717,493 3,499,655,092 9.4 FY 2011-12 1,436,909,373 1,822,884,254 234,266,237 201,828,916 3,695,888,780 5.9 FY 2012-13 1,474,942,641 2,101,912,041 275,562,990 199,940,938 4,052,358,610 7.2 FY 2013-14 1,524,793,763 2,060,758,896 306,591,027 225,264,546 4,117,408,232 4.4 FY 2014-15 1,535,419,516 2,205,463,903 346,477,378 217,738,529 4,305,099,326 6.2 FY 2015-16 1,528,023,310 2,221,088,817 307,669,694 251,199,454 4,307,981,275 0.3 FY 2017-18 1,602,737,358 2,360,595,935 313,689,521 289,972,959 4,566,995,773 4.5 FY 2019-20 NEFAB* 1,850,000,000 2,675,000,000 450,000,000 230,000,000 5,205,000,000	FY 2006-07	1,303,826,416	1,650,895,394	213,027,010	240,582,953	3,408,331,773	7.3%
FY 2009-10 1,289,796,877 1,514,830,114 154,332,137 245,720,545 3,204,679,673 -4.8 FY 2010-11 1,372,784,033 1,735,208,600 154,944,966 236,717,493 3,499,655,092 9.4 FY 2011-12 1,436,909,373 1,822,884,254 234,266,237 201,828,916 3,695,888,780 5.9 FY 2012-13 1,474,942,641 2,101,912,041 275,562,990 199,940,938 4,052,358,610 7.2 FY 2013-14 1,524,793,763 2,060,758,896 306,591,027 225,264,546 4,117,408,232 4.4 FY 2014-15 1,535,419,516 2,205,463,903 346,477,378 217,738,529 4,305,099,326 6.2 FY 2015-16 1,528,023,310 2,221,088,817 307,669,694 251,199,454 4,307,981,275 0.3 FY 2016-17 1,548,388,848 2,224,840,053 264,439,713 228,103,331 4,265,771,945 0.3 FY 2018-19 1,658,107,133 2,545,680,039 423,737,571 268,853,778 4,896,378,521 8.7 FY 2019-20 NEFAB* 1,850,000,000 <td>FY 2007-08</td> <td>1,321,867,139</td> <td>1,726,145,405</td> <td>232,851,654</td> <td>225,298,373</td> <td>3,506,162,571</td> <td>7.7%</td>	FY 2007-08	1,321,867,139	1,726,145,405	232,851,654	225,298,373	3,506,162,571	7.7%
FY 2010-11 1,372,784,033 1,735,208,600 154,944,966 236,717,493 3,499,655,092 9.4 FY 2011-12 1,436,909,373 1,822,884,254 234,266,237 201,828,916 3,695,888,780 5.9 FY 2012-13 1,474,942,641 2,101,912,041 275,562,990 199,940,938 4,052,358,610 7.2 FY 2013-14 1,524,793,763 2,060,758,896 306,591,027 225,264,546 4,117,408,232 4,4 FY 2014-15 1,535,419,516 2,205,463,903 346,477,378 217,738,529 4,305,099,326 6,2 FY 2015-16 1,528,023,310 2,221,088,817 307,669,694 251,199,454 4,307,981,275 0,3 FY 2016-17 1,548,388,848 2,224,840,053 264,439,713 228,103,331 4,265,771,945 0,3 FY 2017-18 1,602,737,358 2,360,595,935 313,689,521 289,972,959 4,566,995,773 4,5 FY 2018-19 1,658,107,133 2,545,680,039 423,737,571 268,853,778 4,896,378,521 8.7 FY 2021-20 NEFAB* 1,820,000,000 <td></td> <td></td> <td></td> <td>198,483,786</td> <td></td> <td>3,357,468,187</td> <td>-4.4%</td>				198,483,786		3,357,468,187	-4.4%
FY 2011-12 1,436,909,373 1,822,884,254 234,266,237 201,828,916 3,695,888,780 5.9 FY 2012-13 1,474,942,641 2,101,912,041 275,562,990 199,940,938 4,052,358,610 7.2 FY 2013-14 1,524,793,763 2,060,758,896 306,591,027 225,264,546 4,117,408,232 4.4 FY 2014-15 1,535,419,516 2,205,463,903 346,477,378 217,738,529 4,305,099,326 6.2 FY 2015-16 1,528,023,310 2,221,088,817 307,669,694 251,199,454 4,307,981,275 0.3 FY 2016-17 1,548,388,848 2,224,840,053 264,439,713 228,103,331 4,265,771,945 0.3 FY 2017-18 1,602,737,358 2,360,595,935 313,689,521 289,972,959 4,566,995,773 4.5 FY 2019-20 NEFAB* 1,850,000,000 2,675,000,000 450,000,000 230,000,000 5,205,000,000 5.2 FY 2021-22 LFO Prelim 1,905,000,000 2,765,000,000 370,000,000 187,000,000 5,364,000,000 3.6 FY 2022-23 LFO Prelim							-4.8%
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FY 2016-17 1,548,388,848 2,224,840,053 264,439,713 228,103,331 4,265,771,945 0.3 FY 2017-18 1,602,737,358 2,360,595,935 313,689,521 289,972,959 4,566,995,773 4.5 FY 2018-19 1,658,107,133 2,545,680,039 423,737,571 268,853,778 4,896,378,521 8.7' FY 2019-20 NEFAB* 1,850,000,000 2,675,000,000 450,000,000 230,000,000 5,205,000,000 5.2' FY 2020-21 NEFAB* 1,820,000,000 2,765,000,000 370,000,000 220,000,000 5,364,000,000 3.6' FY 2021-22 LFO Prelim 1,905,000,000 2,910,000,000 362,000,000 187,000,000 5,364,000,000 3.6' FY 2022-23 LFO Prelim 1,957,000,000 3,058,000,000 354,000,000 179,000,000 5,548,000,000 3.6' Avg Growth (adjusted) 5 5.27% 2.26% 1.95% 4.48% Above Avg Years (24) 5.5% 9.1% 12.5% 3.5% 7.4%							6.2%
FY 2017-18 1,602,737,358 2,360,595,935 313,689,521 289,972,959 4,566,995,773 4.5 FY 2018-19 1,658,107,133 2,545,680,039 423,737,571 268,853,778 4,896,378,521 8.7' FY 2019-20 NEFAB* 1,850,000,000 2,675,000,000 450,000,000 230,000,000 5,205,000,000 5.2' FY 2020-21 NEFAB* 1,820,000,000 2,765,000,000 370,000,000 220,000,000 5,175,000,000 0.6' FY 2021-22 LFO Prelim 1,905,000,000 2,910,000,000 362,000,000 187,000,000 5,364,000,000 3.6' FY 2022-23 LFO Prelim 1,957,000,000 3,058,000,000 354,000,000 179,000,000 5,548,000,000 3.6' Avg Growth (adjusted) 5 Yr Financial Status 4.03% 5.27% 2.26% 1.95% 4.48% Above Avg Years (24) 5.5% 9.1% 12.5% 3.5% 7.4%							0.3%
FY 2018-19 1,658,107,133 2,545,680,039 423,737,571 268,853,778 4,896,378,521 8.7 FY 2019-20 NEFAB* 1,850,000,000 2,675,000,000 450,000,000 230,000,000 5,205,000,000 5.2 FY 2020-21 NEFAB* 1,820,000,000 2,765,000,000 370,000,000 220,000,000 5,175,000,000 0.6 FY 2021-22 LFO Prelim 1,905,000,000 2,910,000,000 362,000,000 187,000,000 5,364,000,000 3.6 FY 2022-23 LFO Prelim 1,957,000,000 3,058,000,000 354,000,000 179,000,000 5,548,000,000 3.6 Avg Growth (adjusted) 5 Yr Financial Status 4.03% 5.27% 2.26% 1.95% 4.48% Above Avg Years (24) 5.5% 9.1% 12.5% 3.5% 7.4%							0.3%
FY 2019-20 NEFAB* 1,850,000,000 2,675,000,000 450,000,000 230,000,000 5,205,000,000 5.2 FY 2020-21 NEFAB* 1,820,000,000 2,765,000,000 370,000,000 220,000,000 5,175,000,000 0.6 FY 2021-22 LFO Prelim FY 2022-23 LFO Prelim 1,905,000,000 2,910,000,000 362,000,000 187,000,000 5,364,000,000 3.6 Avg Growth (adjusted) 1,957,000,000 3,058,000,000 354,000,000 179,000,000 5,548,000,000 3.6 Above Avg Years (24) 5.5% 9.1% 12.5% 3.5% 7.4%				, ,			4.5%
FY 2020-21 NEFAB* 1,820,000,000 2,765,000,000 370,000,000 220,000,000 5,175,000,000 0.6 FY 2021-22 LFO Prelim 1,905,000,000 2,910,000,000 362,000,000 187,000,000 5,364,000,000 3.6 FY 2022-23 LFO Prelim 1,957,000,000 3,058,000,000 354,000,000 179,000,000 5,548,000,000 3.6 Avg Growth (adjusted) 5 Yr Financial Status 4.03% 5.27% 2.26% 1.95% 4.48% Above Avg Years (24) 5.5% 9.1% 12.5% 3.5% 7.4%	FY 2018-19	1,658,107,133	2,545,680,039	423,737,571	268,853,778	4,896,378,521	8.7%
FY 2020-21 NEFAB* 1,820,000,000 2,765,000,000 370,000,000 220,000,000 5,175,000,000 0.6 FY 2021-22 LFO Prelim 1,905,000,000 2,910,000,000 362,000,000 187,000,000 5,364,000,000 3.6 FY 2022-23 LFO Prelim 1,957,000,000 3,058,000,000 354,000,000 179,000,000 5,548,000,000 3.6 Avg Growth (adjusted) 5 Yr Financial Status 4.03% 5.27% 2.26% 1.95% 4.48% Above Avg Years (24) 5.5% 9.1% 12.5% 3.5% 7.4%	FY 2019-20 NEFAB*	1.850.000.000	2,675,000,000	450,000,000	230,000,000	5,205,000,000	5.2%
FY 2022-23 LFO Prelim 1,957,000,000 3,058,000,000 354,000,000 179,000,000 5,548,000,000 3.6 Avg Growth (adjusted) 5 Yr Financial Status 4.03% 5.27% 2.26% 1.95% 4.48% Above Avg Years (24) 5.5% 9.1% 12.5% 3.5% 7.4%	FY 2020-21 NEFAB*		2,765,000,000	370,000,000	220,000,000	5,175,000,000	0.6%
Avg Growth (adjusted) 5 Yr Financial Status 4.03% 5.27% 2.26% 1.95% 4.48% Above Avg Years (24) 5.5% 9.1% 12.5% 3.5% 7.4%	FY 2021-22 LFO Prelim	1,905,000,000	2,910,000,000	362,000,000	187,000,000	5,364,000,000	3.6%
5 Yr Financial Status 4.03% 5.27% 2.26% 1.95% 4.48% Above Avg Years (24) 5.5% 9.1% 12.5% 3.5% 7.4%	FY 2022-23 LFO Prelim	1,957,000,000	3,058,000,000	354,000,000	179,000,000	5,548,000,000	3.6%
Above Avg Years (24) 5.5% 9.1% 12.5% 3.5% 7.4%	Avg Growth (adjusted)						
	5 Yr Financial Status	4.03%	5.27%	2.26%	1.95%	4.48%	
Below Avg Years (14) 1.5% 2.2% -4.6% 0.0% 1.2%	Above Avg Years (24)	5.5%	9.1%	12.5%	3.5%	7.4%	
	Below Avg Years (14)	1.5%	2.2%	-4.6%	0.0%	1.2%	
Hist Average (38 yrs) 4.1% 6.4% 5.1% 0.9% 4.9%	Hist Average (38 yrs)	4.1%	6.4%	5.1%	0.9%	4.9%	





General Fund Transfers-Out

General Fund Transfers-Out accounts for funds that are transferred from the General Fund to another fund within the state treasury. These items have the same effect as an appropriation but are not expended from the General Fund as such and therefore are shown under the revenue category as transfers-out from the General Fund and subsequently expended from the receiving fund.

The Appropriations Committee proposed budget includes two changes. First, the committee included a \$3.8 million transfer to the Critical Infrastructure Facilities Cash Fund to provide financial assistance to the Gering - Fort Laramie Irrigation District related to temporary repair costs for two tunnels and related canal infrastructure. The funding is intended to reimburse the irrigation district for their portion of temporary repairs.

Second, the committee included a \$10 million transfer to the Rural Workforce Housing Investment Fund. This was included in LB 773 which was referred to the Appropriations Committee and incorporated into the mainline budget proposal.

Current Biennial Budget Following Biennium Actual FY2020-21 FY2022-23 Excludes CRF Transfers FY2018-19 FY2019-20 FY2021-22 Property Tax Credit Fund (221,000,000)(272,000,000) (272,000,000) (272,000,000) (272,000,000)Water Resources Cash Fund (3,300,000)(3,300,000)(3,300,000)(3,300,000)(3,300,000)Cultural Preservation Endowment Fund (500,000)0 (500,000)(500,000)(500,000)Water Sustainability Fund (6,000,000)(11,000,000)(11,000,000)(11,000,000)(11,000,000)(286,800,000) (286,800,000) (286,800,000) (286,800,000)General Fund Transfers-Out (current law) (230,300,000)Critical Infrastructure Fund (Gering-Ft. 0 0 (3,800,000)0 0 Laramie repairs) Rural Workforce Housing Investment Fund 0 (10,000,000)(LB 773) Total-General Fund Transfers-Out (230,300,000)(290,600,000) (296,800,000) (286,800,000) (286,800,000)

Table 6 General Fund Transfers-Out

General Fund Transfers-In

Cash funds are funds which contain earmarked revenue sources and monies in those funds can only be used for the purposes authorized by statute. In many instances (since the 2009 special session) an authorized use of monies in a cash fund is transfers to the General Fund at the discretion of the Legislature. For accounting purposes, these are shown as "Transfers in" and are included as General Fund revenues.

Such transfers for the biennial budget are shown in Table 7 along with amounts that were transferred in FY18-19 which were enacted in the 2017 and 2018 legislative sessions and are already included in FY18-19 actual receipts.

Historically there have been transfers from three main sources; Securities Act Cash Fund, Tobacco Products Admin Cash Fund, and the Dept. of Insurance Cash Fund. In the 2017 and 2018 session's transfers from these traditional sources amounted \$54.2 million in FY18-19.

Because of the significant budget shortfall, cash funds from non-traditional sources were also transferred to the General Fund. In FY18-19 the non-traditional transfers from 47 different funds amounted to \$44.8 million. This included \$7.5 million from the Roads Operations Fund, \$10 million from the Medicaid Intergovernmental Transfer Trust Fund (related to the Health Care Cash Fund), and \$8.5 million from the Game & Parks Capital Maintenance Fund. These transfers are included in the FY2018-19 actual General Fund receipts..

In the 2019 session, enacted transfers returned to more normal levels and mostly from the traditional three main sources; Securities Act Cash Fund, Tobacco Products Admin Cash Fund, and the Dept. of Insurance Cash Fund. Total transfers amount to \$48.8 million in FY2019-20 and \$50.8 million in FY2020-21 and are already incorporated into the "Net Receipts" figures of the NEFAB forecasts.

The Appropriations Committee 2020 proposal has one change, transferring \$500,000 of interest income from the Water Sustainability Fund to the General Fund

Table 7 General Fund Transfers-In

	Actual	Current Biennial Budget		Following	Biennium
	FY2018-19	FY2019-20	FY2020-21	FY2021-22	FY2022-23
Securities Act Cash Fund	32,000,000	27,000,000	28,000,000	0	0
Dept of Insurance Cash Fund	12,250,000	12,500,000	13,500,000	0	0
Tobacco Products Admin Cash Fund	10,000,000	9,000,000	9,000,000	0	0
Medicaid Intergovernmental Transfer Trust Fund	10,000,000	0	0	0	0
Game & Parks Capital Maintenance Fund	8,500,000	0	0	0	0
Roads Operations Cash Fund	7,500,000	0	0	0	0
State Building Renewal Assessment Fund	2,900,000	0	0	0	0
DHHS Cash Fund	2,570,000	0	0	0	0
Affordable Housing Trust Fund	2,250,000	0	0	0	0
State Visitors Promotion Fund	1,000,000	0	0	0	0
State Settlement Fund	1,756,639	295,957	295,957	0	0
Other cash funds (18 different funds)	6,863,294	0	0	0	0
Transfers-In already in revenue forecast	97,589,933	48,795,957	50,795,957	0	0
Water Sustainability Fund	0	0	500,000	0	0
General Fund Transfers-In – 2020 Session	0	0	500,000	0	0
Total General Fund Transfers-In	97,589,933	48,795,957	51,295,957	0	0

General Fund Appropriations

The financial status shown in this section includes the Appropriations Committee budget recommendations for current year deficits (FY2019-20) and adjustments for FY2020-21, the second year of the biennial budget. A listing of the most significant General Fund adjustments is shown in the next page. The amount of mid-biennium budget adjustments in the Committee budget is a net \$57.2 million increase over the two year period of which \$55.2 million relates to the 2019 flood damage. This does not include the \$10.7 million reduction in reappropriation of prior year unexpended funds.

FY2018-19	Operations	State Aid	Construction	Total
Total Per 2018 Session	1,583,458,863	2,851,085,752	21,739,000	4,456,283,615
2019 Session Deficits 2019 Session State Claims 2019 Session "A" bills	40,028 233,313 0	2,098,275 0 0	186,000 0 0	2,324,303 233,313 0
2019 Session - Deficits	273,341	2,098,275	186,000	2,557,616
Final Appropriation with deficits	1,583,732,204	2,853,184,027	21,925,000	4,458,841,231

FY2019-20	Operations	State Aid	Construction	Total
Total Per 2019 Session	1,639,165,838	2,947,240,209	38,265,811	4,624,671,858
2020 Session-Committee Proposed 2020 Session-State Claims	8,529,595 0	47,021,574 0	7,823,200 0	63,374,369 0
2020 Session-Floor Actions 2020 Session-Governor Vetoes 2020 Session-Veto Overrides 2020 Session "A" bills	0 0	0 0 0	0 0	0 0 0
2020 Session - Deficits	8,529,595	47,021,574	7,823,200	63,374,369
Final Appropriation with deficits	1,647,695,433	2,994,261,783	46,089,011	4,688,046,227
Change over prior year (excluding deficits) Dollar Percent	55,706,975 3.5%	96,154,457 3.4%	16,526,811 76.0%	168,388,243 3.8%

FY2020-21	Operations	State Aid	Construction	Total
Total Per 2019 Session	1,680,718,617	3,021,306,126	27,489,461	4,729,514,204
2020 Session-Committee Proposed	14,159,024	(23,838,018)	3,500,000	(6,178,994)
2020 Session-Floor Actions	0	0	0	O O
2020 Session-Mainline Governor Vetoes	0	0	0	0
2020 Session-Mainline Veto Overrides	0	0	0	0
2020 Session "A" bills	0	0	0	0
Post 2020 Session	0	0	0	0
2020 Session - Midbiennium Adjustments	14,159,024	(23,838,018)	3,500,000	(6,178,994)
Total Per 2020 Session	1,694,877,641	2,997,468,108	30,989,461	4,723,335,210
Change over prior year (excluding deficits)				
Dollar	55,711,803	50,227,899	(7,276,350)	98,663,352
Percent	3.4%	1.7%	-19.0%	2.1%
Two Yr Avg (excluding deficits)	3.5%	2.5%	19.4%	3.0%

Table 8 General Fund Budget Adjustments – 2020 Session

		Appropriat	ions Committe	ee Proposed
		FY2019-20	FY2020-21	2 Yr total
	OLONIEIOANT INOREACEO.			
1	SIGNIFICANT INCREASES:	40,000,000	0	40,000,000
2	Military Dept-Governors Emergency Program, 2019 flood damage	46,000,000	5 000 000	46,000,000
3	DHHS-Increased costs, need to utilize staffing agencies (Lincoln & Norfolk)	5,000,000	5,000,000	10,000,000
4	Revenue-Adjust Homestead Exemption to actual under current law	4,100,000	5,000,000	9,100,000
5	Military Dept-Gov Emergency Program, 2019 flood damage, county share	9,240,974	0	9,240,974
6	Corrections-Pay Increases for Protective Services Staff	2,300,000	5,700,000	8,000,000
7	Construction-Lincoln Regional Center, ligature mitigation facility changes	5,600,000	0	5,600,000
8	DHHS-Completed ICAP assessments, DD waiver services	0	4,943,181	4,943,181
9	DHHS-Increase certain behavioral health provider rates(LB 1100)	0	4,140,249	4,140,249
10	NU+Colleges+DED - Nebraska Career Scholarships	0	4,000,000	4,000,000
11	DHHS-Increase developmental disability provider rates (LB 827)	0	3,730,149	3,730,149
12	DHHS-Higher DD waiver Sec 83-1216 priority 1 individuals	0	3,689,017	3,689,017
13	Construction-DAS - Capitol HVAC Project, cash flow	0	3,500,000	3,500,000
14	DHHS-Lincoln Regional Center, temp staffing for ligature risk mitigation	3,200,000	0	3,200,000
15	Construction-DAS - Capitol Dome long term repair	1,766,200	0	1,766,200
16	DHHS-Increase funding, aid to local public health departments (LB 1018)	0	1,500,000	1,500,000
17	DHHS-Additional General Fund support, Area Agencies on Aging	0	1,262,878	1,262,878
18	Courts - Problem solving courts (mental health, young adults)	0	1,095,675	1,095,675
19	Corrections-Workforce development partnership with PSC	488,166	523,465	1,011,631
20	Comm Colleges-Increased aid for dual enrollment (LB 894)	0	1,000,000	1,000,000
21	Coord Comm-Increase funding, Opportunity Grant Program (LB 1050)	0	1,000,000	1,000,000
22	DHHS-Increase funding, federally qualified health centers (LB 1019)	0	500,000	500,000
23	Corrections-Increase funding, Voc and life skills programming (LB 1096)	0	500,000	500,000
24	University-Daugherty Water for Food Institute (LB 1026)	0	500,000	500,000
25	DHHS-Increased funding, competency restoration treatment (LB 1161)	0	300,000	300,000
26	Agriculture-Restore funds, Riparian Vegetation grants	0	250,000	250,000
27	DHHS-increased funding for child advocacy centers (LB 779)	0	250,000	250,000
28	DHHS-increase funds, emergency medical care provider training (LB1102)	0	250,000	250,000
29	State Patrol-Processing of sexual assault forensic evidence (LB 1079)	0	250,000	250,000
30	DED-Increase funding, aid to development districts (LB 1098)	0	230,000	230,000
31	Subtotal-Increases listed	77,695,340	49,114,614	126,809,954
32	SIGNIFICANT REDUCTIONS:			
33	DHHS-Child Welfare savings, new eastern service area contract	(6,000,000)	(27,000,000)	(33,000,000)
34	Education-TEEOSA state aid, to NDE calculated per current law	(319,400)	(20,300,839)	(20,620,239)
35	DHHS-Public Assistance, realign appropriation with current spend rates	(4,000,000)	(4,000,000)	(8,000,000)
36	DHHS-SCHIP, realign the appropriation level with current spend rates	(2,000,000)	(2,000,000)	(4,000,000)
37	DHHS-DHHS Operations, realign appropriation with current spend rates	(1,600,000)	(1,600,000)	(3,200,000)
38	DHHS-BSDC, realign the appropriation level with current spend rates	(1,000,000)	(1,000,000)	(2,000,000)
39	Subtotal-Reductions listed	(14,919,400)	(55,900,839)	(70,820,239)
40	ALL OTHER (Net)	598,429	607,231	1,205,660
41	GENERAL FUND NEW APPROPRIATIONS	63,374,369	(6,178,994)	57,195,375

Table 9 Summary of FY2020-21 General Fund Budget

			2020	2020 Committee Proposal			Change vs Prior Yr		
	w/o Deficits	w/o Deficits	2019 Session	Midbiennium	Adjusted Total	FY20-21 (w/o de		2 Yr Avg	% Total
	FY2018-19	FY2019-20	FY2020-21	FY2020-21	FY2020-21	\$,	% Change	FY20-21
Agency Operations						*	,,,	70 0 1 1 m 1 g 0	
University & State /Colleges	626,366,678	645,653,500	669,462,990	3,500,000	672,962,990	27,309,490	4.2%	3.7%	14.2%
Health & Human Services	236,687,805	243,004,720	247,444,292	2,700,000	250,144,292	7,139,572	2.9%	2.8%	5.3%
Correctional Services	211,920,240	219,851,700	227,927,994	6,223,465	234,151,459	14,299,759	6.5%	5.1%	5.0%
Courts	187,043,520	195,447,322	199,189,998	1,095,675	200,285,673	4,838,351	2.5%	3.5%	4.2%
State Patrol	60,309,294	62,871,629	64,198,023	250,000	64,448,023	1,576,394	2.5%	3.4%	1.4%
	52,698,171						2.5%	2.0%	1.4%
Retirement Board		53,638,505	54,709,000	130,932	54,839,932	1,201,427			
Revenue	26,728,444	27,417,676	27,674,896	0.00.000	27,674,896	257,220	0.9%	1.8%	0.6%
Other 38 Agencies	181,704,711	191,280,786	190,111,424	258,952	190,370,376	(910,410)	-0.5%	2.4%	4.0%
Total-GF Operations	1,583,458,863	1,639,165,838	1,680,718,617	14,159,024	1,694,877,641	55,711,803	3.4%	3.5%	35.9%
State Aid to Individuals/Others									
Medicaid	849,628,184	860,304,131	917,144,136	4,106,086	921,250,222	60,946,091	7.1%	4.1%	19.5%
Child Welfare Aid	197,071,388	197,032,479	198,924,830	(26,750,000)	172,174,830	(24,857,649)	-12.6%	-6.5%	3.6%
Developmental disabilities aid	150,279,443	150,880,903	144,893,404	12,362,347	157,255,751	6,374,848	4.2%	2.3%	3.3%
Public Assistance	94,994,043	91,609,328	90,756,257	(4,000,000)	86,756,257	(4,853,071)	-5.3%	-4.4%	1.8%
Behavioral Health aid	71,872,571	75,388,670	71,995,541	0	71,995,541	(3,393,129)	-4.5%	0.1%	1.5%
Childrens Health Insurance (SCHIP)	6,178,073	14,317,097	25,527,244	(1,748,490)	23,778,754	9,461,657	66.1%	96.2%	0.5%
Aging Programs	9,845,789	9,845,789	10,459,701	1,262,878	11,722,579	1,876,790	19.1%	9.1%	0.2%
Higher Ed Student Aid programs	7,539,030	7,693,430	7,693,430	1,000,000	8,693,430	1,000,000	13.0%	7.4%	0.2%
Public Health Aid	6,151,907	6,114,407	6,114,407	250,000	6,364,407	250,000	4.1%	1.7%	0.1%
Business Innovation Act	6,020,352	6,020,352	6,020,352	0	6,020,352	0	0.0%	0.0%	0.1%
Community health centers	5,783,060	5,783,060	5,783,060	2,000,000	7,783,060	2,000,000	34.6%	16.0%	0.2%
All Other Aid to Individuals/Other	10,216,653	12,141,284	12,005,268	1,730,000	13,735,268	1,593,984	13.1%	15.9%	0.3%
Total-GF Aid to Individuals/Other	1,415,580,493	1,437,130,930	1,497,317,630	(9,787,179)	1,487,530,451	50,399,521	3.5%	2.5%	31.5%
State Aid to Local Govts									
State Aid to Schools (TEEOSA)	974,507,975	1,036,237,766	1,042,856,698	(20.300.839)	1,022,555,859	(13,681,907)	-1.3%	2.4%	21.6%
Property Tax Credit	Transfer	Transfer	Transfer	Transfer	Transfer				
Special Education	226,526,585	228,791,851	231,079,770	0	231,079,770	2,287,919	1.0%	1.0%	4.9%
Aid to Community Colleges	98,575,874	100,547,391	102,558,339	0	102,558,339	2,010,948	2.0%	2.0%	2.2%
Homestead Exemption	84,100,000	88,700,000	92,000,000	5,000,000	97,000,000	8,300,000	9.4%		2.1%
Personal Property Tax Relief Act	14,200,000	14,400,000	14,800,000	0	14,800,000		100.0%		0.3%
Aid to ESU's	13,085,000	13,352,558	13,613,976	0	13,613,976	261,418	2.0%	2.0%	0.3%
High ability learner programs	2,202,384	2,342,962	2,342,962	0	2,342,962	0	0.0%	3.1%	0.0%
Early Childhood programs	8,274,583	8,619,357	8,619,357	0	8,619,357	0	0.0%		0.2%
Community Based Juvenile Services	6,048,000	6,048,000	6,048,000	0	6,048,000	0	0.0%	0.0%	0.1%
Resources Development Fund	3,014,712	0,040,000	0,040,000	0	0,040,000	0	0.0%		0.1%
Other Aid to Local Govt	4,970,146	11,069,394	10,069,394	1,250,000	11,319,394	250,000	2.3%		0.0%
Total-GF Aid to Local Govt	1,435,505,259	1,510,109,279	1,523,988,496		1,509,937,657	(171,622)	0.0%		32.0%
Capital Construction	21,739,000	38,265,811	27,489,461	3,500,000	30,989,461	(7,276,350)			0.7%
Total Appropriations		4,624,671,858			4,723,335,210	98,663,352	2.1%		100.0%

Significant General Fund Items

Problem Solving Courts (Supreme Court)

Two bills reference to the committee recommended funding for additional problem solving courts. The committee included \$1,095,675 General Funds in FY20-21 in the mainline budget bill for these two items.

LB1097 provided \$457,887 for another young adult problem-solving court. There is currently one young adult court in Douglas County. It is estimated that funds would be used to expand programming, especially related to employment.

LB1017 provided \$637,788 for a pilot program for problem-solving courts for mental health with the intent to continue funding at \$657,788 in FY2021-22 and \$677,788 in FY2022-23 to continue the pilot program. Included in the appropriation is a total of \$120,000 for two evaluations, and this amount is spread-out over three years: \$20,000 in FY2020-21, \$40,000 in FY2021-22, and \$60,000 in FY2022-23.

TEEOSA School Aid (Education)

The Appropriations Committee adjustments modify the budgeted TEEOSA aid amount to the level called for under the existing law as calculated and released by the Dept of Education January 13, 2020. In total this is \$19.7 million lower than estimate at Sine Die last year and was included in the budget enacted at that time. Taking into consideration changes in the Insurance Premium funds the overall changes in General Funds are a reduction of \$20,300,839 in FY2020-21.

The following table shows the total amounts for TEEOSA aid (under current law), the key data elements important in determining the total, and the dollar and percent changes.

	Actual	Actual	Current Law	Estimated	Estimated
	FY2018-19	FY2019-20	FY2020-21	FY2021-22	FY2022-23
Key Assumptions					
School Disbursements	3.4%	4.2%	2.8%	2.8%	4.0%
Gen Fund Operating Expenditures (GF	FOE) 3.1%	4.3%	1.4%	2.8%	4.0%
Property Valuations (assessed)	2.9%	1.7%	2.1%	2.8%	2.2%
Property Valuations (used in formula)	4.0%	4.5%	3.9%	4.3%	3.7%
Cost Growth Factor	3.00%	3.50%	4.50%	5.00%	5.00%
Local Effort Rate	\$1.0203	\$1.0000	\$1.0000	\$1.0000	\$1.0000
General Funds	972,606,679	1,036,237,765	1,022,555,858	1,046,016,482	1,112,501,108
Insurance Premium Tax	26,901,296	29,675,083	30,300,000	30,750,001	31,210,000
Lottery funds, reorg incentives	906,222				, , , <u></u>
Total TEEOSA state aid	1,000,414,197	1,065,912,848	1,052,855,858	1,076,766,483	1,143,711,108
General Funds - Change over Prior Ye	ear				
General Funds: \$ Change	2,595,102	63,631,087	(13,681,908)	23,460,624	66,484,626
General Funds: % Change	0.3%	6.5%	-1.3%	2.3%	6.4%
All Funds - Change over Prior Year					
Total TEEOSA Aid - \$ Change	1,672,443	65,498,651	(13,056,990)	23,910,624	66,944,625
Total TEEOSA Aid - % Change	0.2%	6.5%	-1.2%	2.3%	6.2%
Two Yr Avg % Change	1.1%		2.7%		4.2%

The following table shows the chronology of the TEEOSA estimates since Sine Die 2019. The amounts shown are total TEEOSA aid including amounts financed with General Funds and Insurance Premium Tax. Since Sine Die 2019 the estimates for the formula data elements and subsequent aid amount, have now been replaced with actual data that is utilized to certify the FY2020-21 TEEOSA state aid. This includes calculation of formula students, actual Annual Financial Report data which is the basis for calculating NEEDS and other receipts, and property valuations which is the basis for calculating yield from local effort rate.

There were two revisions in the TEEOSA number. The first revision was made at the statutory joint meeting where the Department of Education (NDE), the Property Tax Administrator, the Legislative Fiscal Analyst, and the budget division of DAS are to provide an estimate for the upcoming year. This was the estimate used in the Governors recommendation.

The second changes occurred with the development of the NDE calculation of aid under the current law in January 2020.

	All Funds	All Funds	All Funds	All Funds
	FY2019-20	FY2020-21	FY2021-22	FY2022-23
Sine Die 2019 (with May 2019 certification)	1,065,912,849	1,072,531,781	1,157,086,073	1,229,814,521
Calculation changes when updating new data years	0	(403,471)	(6,518,281)	(6,779,012)
Averaging Adjustment (error in my FY21 NEEDS calc form	nula) 0	4,287,206	4,588,591	4,772,135
Valuation, 2019 from 2.16% DPAT Est to 2.13% DPAT cer	rtified 0	4,976,414	4,916,443	5,113,10 ²
Valuation; 2020 (1.71% est to 2.78% DPAD est)	0	0	(19,547,421)	(20,451,705
Valuation; 2021 (1.84% LFO est to 2.17% LFO est)	0	0	0	(7,557,794
Spending growth: FY21 from 4.0% to 2.83% (first budget to	o budget) 0	0	(26,605,584)	(27,669,807
Student Growth Adjustment (est to NDE)	0	488,680	414,172	481,869
New School Adjustment (est to NDE)	0	2,981,373	3,148,903	3,663,594
ncome tax (TY2018 +7.95%, TY2019 +5% versus 6.0% a	nd 4%) 0	170,355	262,922	268,82
Total Change - Oct 2019 Joint Meeting	0	12,500,557	(39,340,255)	(48,158,798
October 2019 Joint Meeting	1,065,912,849	1,085,032,338	1,117,745,818	1,181,655,723
Adjust to dist by dist	0	0	12,382	(9,820,790
Actual FY19 AFR, lower GFOE	0	(48,345,183)	(49,268,270)	(51,239,001
Change in NEEDS gained or lost in basic funding calculation	on 0	(4,239,149)	(13,573,876)	4,194,46
Averaging Adjustment	0	(1,074,358)	1,672,982	(749,987
Formula NEEDS Stabilization	0	9,684,462	3,216,231	1,853,94
Actual FY19 AFR, lower Other Receipts	0	10,233,610	10,557,534	10,891,57
Lower effective Yield from Local Effort Rate	0	4,669,892	7,463,847	8,547,51
Poverty / LEP Corrections	0	(1,808,827)	0	(
All Other Items	0	(1,296,927)	(1,060,165)	(1,622,337
Fotal Change - NDE Jan 2020	0	(32,176,480)	(40,979,335)	(37,944,615
NDE January 2020	1,065,912,849	1,052,855,858	1,076,766,483	1,143,711,108

Homestead Exemption (Revenue)

Total certificates for the current fiscal year and amended request for the Homestead Exemption in 2019 is \$92,730,285 while the current appropriation for FY19-20 was \$88.7 million. Since the counties may amend their requests for reimbursement of tax loss up to the May 30th statutory deadline, the Department of Revenue requested an amended appropriation of \$92.8 million for the current fiscal year, an increase of \$4.1 million from the current appropriation.

With a higher FY2019-20 baseline amount, the FY2020-21 appropriation is increased by \$5.0 million from \$92.0 million to \$97.0 million.

Child Welfare savings, eastern service area contract (DHHS)

The child welfare case management and service contract for the Eastern Service Area was competitively bid. St. Francis Ministries was awarded the five-year contract with the option for two additional years over the existing contractor PromiseShip.

The original bid by St. Francis of \$196.4 million was 36% percent below the PromiseShip bid of \$305.3 million. Since the original contact was signed there have been three amendments. The amendments are due to the transition of cases being accelerated resulting in a total current contract of \$207.9 million.

With this lower bid, DHHS request reflects savings of \$6 million in FY2019-20 and \$27 million in FY2020-21 and thereafter. Cost savings the first year are lower as the ESA was not fully transitioned over to the new vendor until January 1, 2020.

There are still some questions and concerns as to the long term nature of these savings. The St. Francis bid assumed a case ratio of 25:1 while state law requires the case ratio to be between 12:1 and 17:1. After the bid award was announced, St. Francis requested a \$15 million increase in the contract amount to comply with state statute but was refused.

Realign appropriation with current spend rates (DHHS)

The DHHS request for midbiennium adjustments includes four programs where year-to-date spending levels under current law indicates excess appropriations and allow for reductions in the current appropriation levels. Total General Fund savings amount to \$8.6 million each year.

Program	Туре	FY2019-20	FY2020-21
33 Agency operations	Oper	(1,600,000)	(1,600,000)
344 Childrens Health Insurance (SCHIP)	Aid	(2,000,000)	(2,000,000)
347 Public Assistance	Oper	(4,000,000)	(4,000,000)
421 Beatrice State Develop Center (BSDC)	Oper	(1,000,000)	(1,000,000)
Total GF impact of FMAP change		(8,600,000)	(8,600,000)

Utilization of staffing agencies (DHHS)

The committee budget adjustments include \$5 million General Funds in both FY2019-20 and FY2020-21 to cover higher costs at the Lincoln Regional Center (LRC) and Norfolk Sex Offender Program (NRC) due to the need to utilize staffing agencies, particularly Registered Nurses (RN) and Mental Health Security Specialists (MHSS), in order to meet minimum staffing levels until qualified individuals can be recruited, hired, and trained. These staff positions are

responsible for providing 24/7 care and treatment at the facilities. Hourly charges from these staffing agencies are significantly higher than state employee wages and benefits. For example in FY19 approximately 10.5 FTE RN and 49 FTE MHSS were contracted from staffing agencies. For RN's, the contracted hourly rate is \$57.81 versus the average state hourly wage and benefits of \$41.84. The differential for MHSS is virtually the same, \$36/hour contracted rate versus \$21.36/hour average salary and benefits for similar state position. Most of the contracted staff were being utilized at the LRC but the need for contracted staff in Norfolk is increasing in FY19-20.

Failure to ensure adequate staffing and services places patient safety and health at risk, the State in jeopardy of lawsuits and a potential loss of federal funding from the Centers for Medicare and Medicaid Services (CMS) for failure to meet licensing guidelines. Compounding the issue, Mental Health Operations Program has seen an increase in general fund spending due to a reduction in cash and federal revenues due to fluctuations of the payer mix. In state fiscal year 2019, cash and federal fund reserves were utilized to cover these increased costs. It is not feasible, however, to sustain this as the federal fund revenues have dropped and cannot meet the spending authority given. For example, there are limitations on the number of days of hospital care that are eligible to be covered by Medicare with general funds covering any remaining days. Also the state must bear 100% of the cost of care for individuals who are placed at the LRC for competency restoration regardless of the individuals insurance coverage.

Lincoln Regional Center, Ligature Mitigation (DHHS)

The committee budget includes \$8.8 million General Funds in FY2019-20 to address the issue of ligature mitigation at the Lincoln Regional Center. In September 2019 the Joint Commission (JC) which is the accreditation body for Centers for Medicare and Medicaid Services (CMS) conducted a survey of the Lincoln Regional Center (LRC) and found deficiencies in the physical structure of the LRC that may pose as ligature risks. Ligature risks are those that may allow individuals to harm themselves or others in hospitals designated for behavioral health treatment. Total costs include \$5.6 million to make the structural and physical plant changes and \$3.2 million for temporary staffing until structural changes can be made to the facility.

Failure to address identified ligature risks increases liability to the State if a utilizer of the service would harm themselves or others and may result in a loss of all Medicaid billing privileges if accreditation is not retained. The loss in Medicaid billing would shift the federal cost of care to general funds. The expected completion date for the structural changes is June 30, 2021.

In order to retain accreditation, the JC required DHHS to create a risk mitigation plan to address the deficiencies in the physical structure. Examples of some of the needed changes to the LRC include substituting door hardware (lever handles and door closers) with those that are ligature resistant, replacing wall mounted accessories such as grab bars and soap holders to breakaway fixtures, covering exposed pipes, replacing acoustical ceiling tile with drywall and replacing furniture with that designated for behavioral health settings.

Also the mitigation plan outlines the use of temporary staff to address the risks until the physical building modifications can be completed. The additional staff will be utilized to enhance one-on-one monitoring of patients in areas of the building where ligature risks are present

Developmental Disability Aid (DHHS)

The committee budget includes an additional \$12,362,347 General Funds in FY2020-21 for developmental disability aid related to Medicaid Home and Community-Based Waivers for the Developmentally Disabled (DD Waivers) and provider rates.

The Division of Developmental Disabilities (DDD) makes offers to individuals for Medicaid Home and Community-Based Waiver Services for the developmentally disabled based on the priorities in Nebraska Revised Statute 83-1216. In SFY19, DDD began serving 56 additional individuals with the comprehensive (4154) waiver that met the priority one category which serves as an emergency capacity for those that are in immediate crisis. The additional number served under priority one was greater than in previous years (16 in SFY17 and 32 in SFY18) and the upward trend is expected to continue in the current biennium. The estimate for the mid-biennium issues is based on an estimate of 90 priority one waiver entrants in both SFY 20 and SFY 21. The cost to serve these individuals on the comprehensive waiver exceeds the funds that have become available through attrition from the waiver. Without the additional funding, DDD would not be able to make additional funding offers to individuals that are eligible for services for the priority one comprehensive waiver. Cost for this provision amounts to \$3,689,017 Gen Funds.

The DDD uses the Inventory for Client and Agency Planning (ICAP) assessment to determine funding levels for individuals served on Medicaid Home and Community-Based Waivers for the Developmentally Disabled (DD Waivers). Currently, DDD is in the process of standardizing the frequency for administration of the ICAP assessment to every two years to ensure that assessments are current and funding appropriately reflects the needs of individuals on DD Waivers. Between January 2019 and September 2019, DDD completed approximately 2,400 ICAP assessments for individuals on DD Waivers. It was determined that the updated assessments requires an average of 4% more funding to continue to provide services for current individuals on DD waivers at the funding levels and rates indicated by their ICAP assessments. The General fund portion of this cost, \$4,943,181.

LB 827 referenced to the Appropriations Committee provided funding to align rates paid to providers of developmental disability services as determined by the rate model study conducted by the Division of Developmental Disabilities in 2018. The committee included funding for these provider rate increases in the mainline budget bill amounting to \$3,730,149 General Funds and \$4,507,813 Federal Funds (in program 348). These funds would be restricted to provider rate adjustments and cannot be utilized for payment of permanent or temporary state employees.

Medicaid/SCHIP Behavioral Health Provider Rates (DHHS)

LB 1100 called for increased behavioral health rates in Medicaid and the Children's Health Insurance Program. The combined appropriation is \$4,140,249 General Funds and \$5,520,946 federal funds. The rate increases are to be prioritized for mental health and behavioral health services which were reimbursed at fifteen percent or more below such rates paid as of January 1, 2020, by the Division of Behavioral Health. Services include but are not limited to day rehabilitation services, mental health individual sessions, substance use disorder individual sessions, substance use disorder assessments, therapeutic community services, and psychiatric residential rehabilitation. It is the intent of the Legislature that funds appropriated for mental health and behavioral health rate increases be utilized solely for mental health and behavioral health rate increases in a proportional manner

Aid to Local Public Health Departments & FQHC (DHHS)

The committee proposal incorporates funding items originally included in LB1018 and LB1019 but at a reduced level.

LB 1018 increased aid to the 18 local public health departments. The amount provided is \$1,500,000 General Funds in FY 2020-21. The funds are provided for local health departments for critical health services aid to be distributed equally among the eighteen public health.

LB 1019 increased funding for Federally Qualified Health Centers (FQHCs). The amount provided is \$500,000 General Funds in FY 2020-21 to be distributed equally to the community health centers funded through Federal Program 330, Public Law 104-299, the federal Health Centers Consolidation Act of 1996. Each center shall receive an amount to be distributed proportionally based on the previous fiscal year's number of uninsured clients as reported on the Uniform Data System Report provided to the United States Department of Health and Human Services Bureau of Primary Health Care. The distribution shall be made to Charles Drew Health Center, One World Community Health Center, East Central District Health Department – Good Neighbor Health Center, Community Action Partnership of Western Nebraska Health Center, Midtown Community Health Center, Bluestem Health, and Heartland Health Center.

Additional General Fund support, Area Agencies on Aging (DHHS)

Due to the projected reduction in federal funds, funding was added to the Area Agencies on Aging (AAAs) to prevent reductions in services that promote health, safety and long-term independence, such as home-delivered meals, mobility assistance, respite care, health screenings and durable medical equipment. Service vary among the eight AAAs as they are tailored to the needs of the local communities.

Governors Emergency Program (Military Dept)

The Nebraska Emergency Management Agency (NEMA) had submitted a deficit request in the amount of \$53 million for FY20 for the Governors Emergency Program (GEP).

This request has two intended purposes. The first is to replenish the GEP to a balance of \$5 million in order to assure funding availability for immediate response to any disaster or emergency event(s). This balance amount is what has historically been maintained. The second purpose is to provide adequate funding (based on current total damage estimates) for the state's portion of the non-federal share of cost (12.5 percent of total eligible costs or \$50 million) associated with the Federal Emergency Management Agency's (FEMA) Public Assistance (PA) program. FEMA will reimburse 75 percent of eligible costs while local jurisdictions will be responsible for the remaining 12.5 percent. Types of work to be completed, or in the process of being completed, include restoration of roads/bridges, water control facilities, buildings/equipment, utilities, and parks/recreational and other facilitates.

The Appropriations Committee included \$46 million in their budget proposal. This is \$7 million lower than the Governor based on a review of the listing of FEMA Public Assistance projects and identification of projects that have historically not been eligible for assistance through the GEP and by accounting for certain federal reimbursements for expenditures already made from the GEP related to the March 2019 flood response. Additionally, the agency's deficit request did not account for the General Fund appropriation of \$5 million in FY21. In accounting for the

refinements delineated above, it is anticipated that the GEP will have \$51 million available for the states 12.5 percent cost-share of eligible damages while also maintaining an available balance of at least \$5 million for future disasters/emergencies that may occur in the current biennium.

In addition to the \$46 million, the Committee included an additional \$9.2 million per the Governors Recommendation, to assist certain counties with their portion of the non-federal share of cost related to the Federal Emergency Management Agency (FEMA) Public Assistance (PA) program. In order to be eligible for assistance, a county's cost share (12.5%) of the projects related to the March 2019 disaster that are eligible under the FEMA PA program must total 20 percent or more of the county's 2018 taxes levied. The amount of assistance provided to a county is the difference between 20 percent of the 2018 taxes levied and the total amount of the counties cost share.

Pay Increases for Protective Services Staff (Corrections)

The Department of Correctional Services (DCS) reached an agreement to provide additional pay increases for DCS Protective Services Staff: Corrections Officers, Corporals, Corrections Unit Caseworkers, and Sergeants. Corrections officers will be reclassified as corporals. Corporals, unit caseworkers, and sergeants will receive wage increases and be placed on a new seven-step pay plan.

Corrections corporals, Unit Caseworkers, and Sergeants will get wage increases on January 20, 2020. Minimum pay for Corporals and Unit Caseworkers will increase to \$20 per hour, and \$24 per hour for sergeants. Current staff's pay will increase to the new minimum rate or by the same amount that the minimum has been raised, whichever is higher.

For example, the minimum rate of pay for the Corrections Corporal on January 19, 2020 is \$18.44 per hour. The new minimum rate of pay for that classification on January 20, 2020 is \$20.00 per hour. Accordingly, as of January 20, 2020 each employee in that classification shall receive an increase to the new minimum rate of pay of \$20.00 per hour, or shall receive a raise of \$1.56 per hour, whichever results in a higher rate of pay. Corporals, Unit Caseworkers and Sergeants can receive step increases on July 1 following satisfactory performance reviews. Each step will add \$1 to the employees' hourly pay. Employees can move up a step each year for seven years.

Costs to implement this pay agreement are \$2.3 million for the remainder of FY2019-20 and \$5.7 million for FY2020-21. Cost in the following biennium will be \$8.7 million and then \$11.7 million as the additional \$1 per hour on the step plan will cost approximately \$3 million each year.

Workforce Development Partnership Proposal (Corrections)

The Governor's budget included funding for a project where the Dept of Correctional Services (DCS) is partnering with Peru State College (PSC) to enhance the PSC criminal justice program with a corrections focus. It is being called the "Corrections Workforce Development Pathways (CWDP)". DCS will provide start-up, recruiting, and scholarship funding for PSC to develop this program. Housing will be available in Peru. During school, besides doing coursework, students will work at TSCI as Corporals, Caseworkers, and eventually as Sergeants and Case Managers. Upon graduation, they may be offered positions as Lieutenants or Unit Managers.

The committee proposal includes General Funds of \$ 488,166 in FY19-20 and \$523,465 in FY20-21 to implement the program. In FY23, the program is estimated to cost of \$973,465, which includes operations, recruiting, training, and 45 student scholarships.

Vocational and Life Skills Program funds (Corrections)

LB 1096 referenced to the committee called for additional General Funds of \$500,000 each year for the Vocational and Life Skills Program to provide grants to train adults and juveniles who are incarcerated, who have been incarcerated within the prior eighteen months, or who are serving a period of supervision on either probation or parole. Grants would be awarded to organizations that provide paid preparatory training programs, pre-apprenticeship programs, or other paid training that leads directly into a Federal Registered Apprenticeship Program, and grants shall require a minimum one-to-one cash or in-kind matching contribution. The committee proposal incorporates this funding into the mainline budget bill.

Nebraska Opportunity Grant Program (Coordinating Commission)

As introduced, LB 1050 proposed to increase the FY2020-21 General Fund appropriation for the Nebraska Opportunity Grant Program by \$1,500,000. The Appropriations Committee budget proposal increases the FY2020-21 appropriation by \$1,000,000 to support additional needbased financial aid for eligible Nebraska resident students attending the state's higher education institutions. Current FY2020-21 appropriations of \$19,948,302 for the program include \$6,593,430 General Fund and \$13,354,872 Cash Fund (from dedicated state lottery proceeds). The proposed increase represents a 5.0% increase in the total FY2020-21 appropriation for this need based student financial aid program.

Nebraska Career Scholarships (University, State Colleges, DED)

The Governor's budget recommendation included funding and distribution language for the Nebraska Career Scholarship Program through the University of Nebraska, State Colleges, and Community Colleges (through Dept of Economic Development). Funding for the current biennium amounts to a total of \$4 million with intent language that the program would increase to \$16 million in the fourth year.

Program	FY2019-20	FY2020-21	FY2021-22	FY2022-23`	FY2023-24
University of Nebraska	0	2,000,000	4,000,000	6,000,000	8,000,000
State Colleges	0	1,000,000	2,000,000	3,000,000	4,000,000
Dept of Economic Development (DED)	0	1,000,000	2,000,000	3,000,000	4,000,000
Total GF impact of FMAP change	0	4,000,000	8,000,000	12,000,000	16,000,000

<u>University of Nebraska</u>: The Governor indicates intent that the funding support 170 scholarships for eligible student each year for each \$2,000,000 appropriated and further provides that scholarship awards not exceed \$25,000 annually to students who achieve an ACT score of 28 or higher and \$10,000 annually to students who achieve an ACT score of 20 to 27 or are qualified transfer students. No student is to receive a scholarship after four years of participation in the program. Scholarships are to be limited to students who enroll in a program of study of math, engineering, health care, or computer information systems. The Board of Regents, in collaboration with the Department of Economic Development, is directed to evaluate programs of study needed to meet Nebraska workforce needs every four years.

State Colleges: Language indicates intent that the funding support 200 scholarships not to exceed \$10,000 per eligible student each year for each \$1,000,000 appropriated. Intent language accompanying the appropriation provides that to be eligible for the related financial aid, a student would be required to achieve a minimum ACT score of 18 and enroll in a program of study in rangeland management, industrial technology, criminal justice, business administration, education, communications, or computer information systems. No student is to receive a scholarship after four years of participation in the program. The Board of Trustees, in collaboration with the Department of Economic Development, is directed to evaluate programs of study needed to meet Nebraska workforce needs every four years.

<u>DED</u>: The recommendation notes that there would be 200 scholarships given for each \$1,000,000 appropriated. The Department of Economic Development would work in conjunction with the six Community Colleges to award scholarships to freshman students pursuing careers in high-demand areas.

Daugherty Water for Food Institute (University of Nebraska)

As introduced, LB1026 proposed to appropriate \$2,500,000 General Fund to the University of Nebraska for FY2020-21 to provide funds for the Daugherty Water for Food Institute to support water and agricultural research and existing collaborative initiatives to implement best practices in water conservation. The Appropriations Committee proposal includes \$500,000 General Fund for FY2020-21 to support these purposes.

Community College aid, Dual Enrollment

As introduced, LB894 proposed to appropriate \$7,000,000 General Fund for FY2020-21 as an increase in aid to community colleges specifically to support efforts of the respective community college areas in their delivery of dual enrollment courses to high school students. The committee proposal includes \$1,000,000 General Fund for this purpose and provides a specific mechanism for distribution of this incremental increase in aid to community colleges.

State Capitol HVAC Project Cash Flow (Construction)

The Governor recommended changes to the cash flow of appropriations as well as changes to the designated funding source(s) for appropriations committed to the Capitol HVAC Systems Replacement project. Currently, 2019-21 biennium appropriations as well as future fiscal year appropriation commitments for the project are supported by amounts from the General Fund. The Appropriations Committee recommendation adjusts the cash flow of appropriations for the project in amounts equivalent to the Governor's recommended cash flow adjustments. However, the Committee recommends that the General Fund be maintained as the source of funding for the project rather than funding through Cash Reserve Fund transfers. Cash flow adjustments are shown in the following table.

	Current \$	Change	Revised \$
	Gen Fund	Gen Fund	Gen Fund
FY2020-21	8,089,861	3,500,000	11,589,861
FY2021-22	14,500,000	(1,411,172)	13,088,828
FY2022-23	11,500,000	(409,040)	11,090,960
FY2023-24	11,300,000	(5,189,104)	6,110,896
FY2024-15	4,074,174	3,509,316	7,583,490
Remaining Total	49,464,035	0	49,464,035

While there is a net \$3.5 million increase in FY2020-21, in total, recommended adjustments for cash flow increases are offset by adjustments for cash flow decreases over the project funding period with no net change in total appropriations committed for the project.

State Capitol Dome Long Term Repair (Construction)

Inspection of the gold tile masonry dome of the Capitol tower was performed during July, 2019 revealing dome conditions critically in need of repair/restoration. Weatherproofing sealant of the thirteen radial (vertical top to bottom) and three circumferential (horizontal) expansion joints of the dome was discovered to have degraded to the point that it provides little to no value toward keeping the dome and its tiled surface sealed from moisture. Many (approximately 200) of the tiles that cover the dome and flank the expansion joints were discovered to be so loose that they can be lifted from their setting beds. \$181,000 of unexpended carry-over appropriations for Program 901 (State Capitol Improvements) were used to complete emergency, short-term repair measures prior to arrival of winter weather conditions.

The agency requested and the committee included in their proposal, \$1,766,200 (General Fund) to undertake long-term repair/restoration of the Capitol dome which will require full, fixed-in-place scaffold access to the entire dome. Also per the agency request, the committee reduced the reappropriation of the unexpended 2018-19 General Fund operating budget (Agency 65 – Program 685) appropriation \$700,601 to assist in offsetting the project cost.

Lapse FY2018-19 Reappropriations (Courts, DAS)

There are two instances where the Appropriations Committee proposal includes a lapse of FY2018-19 reappropriated balances. These reappropriations are not included in the FY19-20 and FY20-21 and these reductions therefore are not shown as changes to the appropriation like the other items but show as additions to the unobligated beginning cash balance on the General Fund Financial Status (line 4).

In the Governor's proposal, he identified an unexpended General Fund appropriation on June 30, 2020, for the Supreme Court's operations programs at approximately \$17 million and recommended lapsing \$10 million of that unexpended balance split between two programs: Prog. 435 Probation Community Corrections and Prog. 437 Juvenile Justice. In their hearing the Supreme Court requested that the entire \$10 million reappropriation be lapsed from Prog. 437 Juvenile Justice and that is included in the committee proposal.

The second item is a lapse of \$700,601 from DAS program 685 per the agency request, to assist in offsetting the project cost of the Capitol Dome repair project.

Total Appropriations – All Funds

Table 10 shows the total appropriation from all fund sources as enacted in the 2019 legislative session with the Appropriations Committee proposal for budget adjustments in the 2020 session.

Table 13 shows the major cash, federal, revolving and NCCF items included in the committee proposal. Following that table is a narrative description of several of the largest items. Note that the increase in Federal Funds is almost all due to matching funds for General Fund items described in other areas of this report.

Table 10 Total Appropriations - All Funds

FY2018-19	General	Cash	Federal	Rev/Other	Total
Adjusted Per 2018 Session	4,456,283,615	2,418,546,661	2,996,300,173	991,842,979	10,862,973,428
2019 Session Deficits 2019 Session State Claims 2019 Session "A" bills	2,324,303 233,313 0	1,006,847 0 0	0 0 0	0 1,393,850 0	3,331,150 1,627,163 0
Final Appropriation per 2019 Session	4,458,841,231	2,419,553,508	2,996,300,173	993,236,829	10,867,931,741
FY2019-20	General	Cash	Federal	Rev/Other	Total
Total Per 2019 Session	4,624,671,858	2,607,858,637	3,140,010,262	990,474,195	11,363,014,952
2020 Session-Committee Proposed 2020 Session State Claims 2020 Session Floor Actions	63,374,369 0 0	11,393,986 0 0	74,977 0 0	765,490 0 0	75,608,822 0 0
2020 Session Vetoes 2020 Session Overrides 2020 Session "A" bills	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0
2020 Deficits	63,374,369	11,393,986	74,977	765,490	75,608,822
Final Total - 2020 Session	4,688,046,227	2,619,252,623	3,140,085,239	991,239,685	11,438,623,774
Change over prior year (without deficits) Dollar Percent	168,388,243 3.8%	189,311,976 7.8%	143,710,089 4.8%	(1,368,784) -0.1%	
FY2020-21	General	Cash	Federal	Rev/Other	Total
Total Per 2019 Session	4,729,514,204	2,551,451,848	3,538,555,907	980,536,067	11,800,058,026
2020 Session-Committee Proposed 2020 Session Floor Actions 2020 Session Vetoes 2020 Session Overrides 2020 Session "A" bills	(6,178,994) 0 0 0 0		21,757,374 0 0 0 0	3,518,490 0 0 0	34,241,950 0 0 0 0
2020 Session Midbiennium Actions	(6,178,994)	15,145,080	21,757,374	3,518,490	34,241,950
Total Per 2020 Session	4,723,335,210	2,566,596,928	3,560,313,281	984,054,557	11,834,299,976
Change over prior year (without deficits) Dollar Percent	98,663,352 2.1%	(41,261,709) -1.6%		(6,419,638) -0.6%	

Table 11 Significant Non-General Fund Budget Adjustments – 2020 Session

Major Items - Cash Funds	FY2019-20	FY2020-21	2 Yr Total
DED - LB 773 Rural Workforce Housing Investment Fund	0	10,000,000	10,000,000
Nat Rsrces - Critical Infrastructure Facilities (Gering-Ft. Laramie repairs)	3,800,000	0	3,800,000
DHHS - Public Health Unit, replace licensure information system	3,500,000	0	3,500,000
Education - Increased spending authority, Education Innovation Cash Fund.	2,298,934	1,149,466	3,448,400
DHHS - Increase cash spending authority, Homeless Assistance program	350,000	1,614,198	1,964,198
Sec of State - Relocate State Records Center (also transfer cash funds)	10,000	652,380	662,380
Game & Parks - Additional conservation officers (Prog 336)	422,466	232,327	654,793
Electrical Brd - Salary increase, additional Inspectors, and computing costs	160,086	274,732	434,818
Agriculture - Industrial Hemp Program, higher participation and fees	200,000	200,000	400,000
Natural Resources - South Platte and Platte River Basin Studies	50,000	300,000	350,000
Game & Parks – Supplant reduced and reallocated General Funds	0	340,102	340,102
Natural Resources - Missouri River Basin Studies	125,000	125,000	250,000
DHHS - Increase cash spending authority, Child Abuse Prevention Program		100,000	200,000
Construction - Hist Society - Chimney Rock Visitor's Center Remodel	200,000	0	200,000
All Other	177,500	156,875	334,375
TOTAL CASH FUNDS	11,393,986	15,145,080	26,539,066
Major Items - Federal Funds	FY2019-20	FY2020-21	2 Yr Total
DHHS-Medicaid fed match, completed ICAP assessments, DD waiver service	ces 0	6,423,066	6,423,066
DHHS-LB 1100 Increase certain behavioral health provider rates	0	4,955,334	4,955,334
DHHS-Medicaid fed match, higher DD waiver Sec 83-1216 priority 1 individu	uals 0	4,706,561	4,706,561
DHHS-LB 827 Appropriate funds, increase developmental disability provider	rates 0	4,507,813	4,507,813
DHHS-LB 1100 Increase certain behavioral health provider rates	0	565,612	565,612
All Other	74,977	598,988	673,965
TOTAL FEDERAL FUNDS	74,977	21,757,374	21,832,351
Major Items – NCCF / Revolving	FY2017-18	FY2018-19	2 Yr Total
DAS-New lease requests (Building Division)	0	2,800,000	2,800,000
Education-Implement an information technology (IT) chargeback system	765,490	718,490	1,483,980
All Other (Revolving)	0	0	0
TOTAL NCCF / REVOLVING FUNDS	765,490	3,518,490	4,283,980

Rural Workforce Housing Investment Fund (LB773)

LB 773 as introduced proposed that a \$10,000,000 transfer be made from the General Fund to the Rural Workforce Housing Investment Fund. The Appropriations Committee approved a \$10,000,000 transfer from the General Fund to the Rural Workforce Housing Investment Fund. An increased cash fund appropriation is included for FY20-21 to allow the Department of Economic Development to expend the additional funds provided to the program.

The Investment Fund was enacted in 2017 through the passage of LB518, which created a rural workforce housing grant program. The program is intended to address the barrier housing shortages in rural communities pose to our ability to deal with a workforce shortage. Initial funding was provided through a one-time transfer of \$7.3 million from the Affordable Housing Trust Fund to the Rural Workforce Housing Investment Fund.

Critical Infrastructure Facilities (Gering-Ft. Laramie repairs)

The Governor recommended that \$3,800,000 be transferred from the Cash Reserve Fund to the Critical Infrastructure Facilities Cash Fund to provide financial assistance to the Gering - Fort Laramie Irrigation District related to temporary repair costs for two tunnels and related canal infrastructure. The funding is intended to reimburse the irrigation district for their portion of temporary repairs. The Appropriations Committee approved a \$3,800,000 transfer from the General Fund to the Critical Infrastructure Facilities Cash Fund. Additionally, a \$3,800,000 cash fund appropriation was approved for FY19-20 to allow for the payment of aid to the Gering-Ft. Laramie Irrigation District.

Public Health Unit, replace licensure information system (DHHS)

DHHS requested a one-time \$3.5 million increase in the cash fund appropriation to replace the licensure information system. The licensure information system is close to the end of its life cycle. The vendor System Automation has notified the department that it will no longer support the system after June 30, 2020. The system houses the credentialing information for professions and occupations under the Uniform Licensing Act which includes 26 boards and licensed and registered child care services.

Education Innovation Cash Fund, spending authority (Education)

Spending authority for the Education Innovation Cash Fund allows the Department to carry out required activities and approved appropriations of the Expanded Learning Opportunity Grant Program Act, competitive innovation grants, pass through of the community college gap assistance program, the Excellence in Teaching Act, the Nebraska Opportunity Grant Act, and distance education incentives. NDE is requested an increase in their spending authority based on the cash available plus actual receipts received for FY 2018-19 which is offset by the current available authority and prior year encumbrances for each activity within the fund. The spending authority request will be allocated to two-thirds for FY 2020 and one-third for FY 2021.

Cash spending authority, Homeless Assistance program (DHHS)

DHHS request and increase in cash fund authority of \$350,000 for both FY2019-20 and FY2020-21 for the homeless assistance program. The program is funded from 25 cents of the documentary stamp fee. The current balance is \$2.4 million which has been consistent for a number of years. The agency is requesting an increase in the appropriation of \$350,000 to draw down the current balance over time. The fund is used to assist in the alleviation of homelessness, to provide temporary and permanent shelters for homeless persons, to encourage the development of projects which link housing assistance to programs promoting the concept of self-sufficiency, and to address the needs of the migrant farmworker.

Based on a hearing request from service providers, the committee increased funding by \$1,614,198 in FY2020-21 which brings funding levels to the FY2019-20 level. While this maintains funding at the FY20 level it draws the fund balance to a point where ongoing revenue levels will require either revenue increases or funding reductions in the next biennium.

Appendix A Detailed Listing of All Budget Adjustments

			Current	Biennium	Est for Follo	ving Biennium
		Fund	FY2019-20	FY2020-21	FY2021-22	FY2022-23
#03-L	egislative Council					
501	Restore senators travel to \$1500 cap	Gen	0	57,000	57,000	57,000
#05-S	Supreme Court					
420	LB 1097 Problem-solving courts for young adults.	Gen	0	457,887	457,887	457,887
420	LB 1017 Problem solving courts for mental health	Gen	0	637,788	657,788	677,788
437	Reduce reappropriation (\$10,00,000)	Gen	Yes	0	0	0
#9-S€	ecretary of State					
22		Cash	60,000	60,000	60,000	60,000
22	OCIO rates	Cash	6,500	6,500	6,500	6,500
51	OCIO rates	Cash	51,000	0	0	0
53	OCIO rates	Cash	5,000	5,000	5,000	5,000
89	OCIO rates	Cash	35,000	0	0	0
86	Relocate State Records Center (also transfer cash funds)	Cash	10,000	652,380	0	0
#13-E	Dept of Education					
25	Funding for improved grant monitoring	Fed	74,977	322,364	322,364	322,364
25	Funding for improved grant monitoring (PSL)	PSL	28,815	176,863	176,863	176,863
25	Increased costs, DAS Accounting charges	Gen	172,683	139,962	139,962	139,962
25	Employee reclassifications and wage progressions (PSL)	PSL	21,146	21,633	21,633	21,633
25	Implement an information technology (IT) chargeback system	Rev	765,490	718,490	718,490	718,490
158	TEEOSA state aid, to NDE calculated per current law	Gen	(319,400)	(20,300,839)	(80,949,381)	(86,440,199)
161	Increased spending authority, Education Innovation Cash Fund.	Cash	2,298,934	1,149,466	1,149,466	1,149,466
#16-F	Dept of Revenue					
	Adjust Homestead Exemption to actual under current law	Gen	4,100,000	5,000,000	5,000,000	5,000,000

				Biennium		wing Biennium
		Fund	FY2019-20	FY2020-21	FY2021-22	FY2022-23
#18-E	Dept of Agriculture					
	Industrial Hemp Program, higher participation and fees	Cash	200,000	200,000	200,000	200,000
78	Restore funds, Riparian Vegetation grants	Gen	0	250,000	250,000	250,000
#22-D	Dept of Insurance					
	Error in fed fund amount in mainline budget bill (database ok)	Fed	Yes	Yes	0	0
#25-F	lealth and Human Services					
33	DHHS Operations, realign the appropriation level with current spend rates	Gen	(1,600,000)	(1,600,000)	(1,600,000)	(1,600,000)
178	Public Health Unit, replace licensure information system	Cash	3,500,000	0	0	0
344	SCHIP, realign the appropriation level with current spend rates	Gen	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)
344	LB 1100 Increase certain behavioral health provider rates	Gen	0	251,510	251,510	251,510
344	LB 1100 Increase certain behavioral health provider rates	Fed	0	565,612	565,612	565,612
347	Increase cash spending authority, Homeless Assistance program	Cash	350,000	1,614,198	560,000	560,000
347	Public Assistance, realign the appropriation level with current spend rates	Gen	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)
348	Medicaid fed match, completed ICAP assessments, DD waiver services	Fed	0	6,423,066	6,423,066	6,423,066
348	Medicaid fed match, higher DD waiver Sec 83-1216 priority 1 individuals	Fed	0	4,706,561	4,706,561	4,706,561
348 348	Increase Halfway House Rates to those Paid by the Behavioral Health Increase Halfway House Rates to those Paid by the Behavioral Health	Gen Fed	0	217,347 276,624	217,347 276,624	217,347 276,624
348	LB 1093 Intent, appropriations for nursing facility services under Medicaid	Gen	0	276,624 YES	270,024	270,024
348	LB 1100 Increase certain behavioral health provider rates	Gen	0	3,888,739	3,888,739	3,888,739
348	LB 1100 Increase certain behavioral health provider rates	Fed	Ö	4,955,334	4,955,334	4,955,334
348	LB 827 Appropriate funds, increase developmental disability provider rates	Fed	0	4,507,813	4,507,813	4,507,813
350	Increase cash spending authority, Child Abuse Prevention Program	Cash	100,000	100,000	0	0
354	Child Welfare savings, new eastern service area contract	Gen	(6,000,000)	(27,000,000)	(27,000,000)	(27,000,000)
354	LB 779 Appropriate funds, DHHS, child advocacy centers	Gen	Ó	250,000	250,000	250,000
365	LRC, temporary staffing for ligature risk mitigation, CMS accreditation	Gen	3,200,000	0	0	0
365	Increased costs, need to utilize staffing agencies (Lincoln & Norfolk)	Gen	5,000,000	5,000,000	5,000,000	5,000,000
365	LB 1161 Appropriate funds, competency restoration treatment	Gen	0	300,000	300,000	300,000
421	BSDC, realign the appropriation level with current spend rates	Gen	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
424	Completed ICAP assessments, DD waiver services	Gen	0	4,943,181	4,943,181	4,943,181
424	Higher DD waiver Sec 83-1216 priority 1 individuals	Gen	0	3,689,017	3,689,017	3,689,017
424	LB 827 Appropriate funds, increase developmental disability provider rates	Gen	0	3,730,149	3,730,149	3,730,149

			Current	Biennium	ım Est for Followin	
		Fund	FY2019-20	FY2020-21	FY2021-22	FY2022-23
	LB 1019 Appropriate funds, federally qualified health centers	Gen	0	500,000	500,000	500,000
502	LB 1018 Appropriate funds, aid to local public health departments	Gen	0	1,500,000	1,500,000	1,500,000
514	LB 1102 Appropriate funds, volunteer emergency medical provider training	Gen	0	250,000	250,000	250,000
571	Additional General Fund support, Area Agencies on Aging	Gen	0	1,262,878	1,262,878	1,262,878
	Dept of Natural Resources					
314	Critical Infrastructure Facilities (Gering-Ft. Laramie repairs)	Cash	3,800,000	0	0	0
334	Missouri River Basin Studies	Cash	125,000	125,000	0	0
334	South Platte and Platte River Basin Studies	Cash	50,000	300,000	0	0
334	Transfer \$125,000 each yr from Water Sustainability Fund to NR Cash Fund		0	0	0	0
334	Transfer \$50,000 & \$300,000 from Water Sustainability Fund to NR Cash F	und	Transfer	0	0	0
#30-E	Electrical Board					
197	Salary increase, additional Inspectors, and computing costs	Cash	160,086	274,732	274,732	274,732
#31-N	Military Dept					
	Governors Emergency Program, 2019 flood damage	Gen	46,000,000	0	0	0
192	Governors Emergency Program, 2019 flood damage, county share	Gen	9,240,974	0	0	0
#33-0	Game and Parks Commission					
	Additional conservation officers	Gen	135,560	340,102	340,102	340,102
336		Cash	422,466	232,327	232,327	232,327
336	Additional conservation officers (PSL)	PSL	58,060	246,180	246,180	246,180
617 617	Reallocate funds to Prog 336 for additional conservation officers Reallocate funds to Prog 336 for additional conservation officers	Gen Cash	(322,560) 0	(340,102) 340,102	(340,102) 340,102	(340,102) 340,102
#46-F	Dept of Correctional Services					
200	Pay Increases for Protective Services Staff	Gen	2,300,000	5,700,000	8,700,000	11,700,000
200	Pay Increases for Protective Services Staff	PSL	2,000,000	5,000,000	8,000,000	11,000,000
213	Workforce development partnership with PSC	Gen	488,166	523,465	748,465	973,465
214	LB 1096 Vocational and life skills programming	Gen	0	500,000	500,000	500,000
#48-F	Postsecondary Coordinating Commission					
	LB 1050 Appropriate funds, Opportunity Grant Program	Gen	0	1,000,000	1,000,000	1,000,000

0

		Current	Biennium	Est for Follow	wing Biennium
	Fund	FY2019-20	FY2020-21	FY2021-22	FY2022-23
#50-State Colleges					
48 Nebraska Career Scholarships	Gen	0	1,000,000	2,000,000	3,000,000
#51-University of Nebraska					
515 Nebraska Career Scholarships	Gen	0	2,000,000	4,000,000	6,000,000
515 LB 1026 University of Nebraska Daugherty Water for Food Institute	Gen	0	500,000	500,000	500,000
#54-Historical Society					
648 Retiree leave payout	Gen	92,306	0	0	0
648 Retiree leave payout (PSL)	PSL	79,472	0	0	0
#64-State Patrol					
100 LB 1079 Processing of sexual assault forensic evidence	Gen	0	250,000	250,000	250,000
#65-Administrative Services\\					
560 New lease requests (Building Division)	Rev	0	2,800,000	2,800,000	2,800,000
591 State Claims - Tort	Cash	0	85,375	85,375	85,375
685 Reduce GF and use excess carryover (Capital Commission) (-\$701.601)	Gen	Yes	0	0	0
#69-Arts Council					
326 Organization attendance at 2020 Arts Midwest Conference	Gen	0	4,550	0	0
326 Correction in PSL (\$93,789 FY20 and \$93,756 FY21) (PSL) 326 Increase number of allowed applications review programs in online software	PSL Gen	90,539 1,440	90,539 1,440	90,539 1,440	90,539 1,440
329 Correction in PSL (\$3,266 FY20 and FY21) (PSL)	PSL	3,266	3,266	3,266	3,266
#72-Dept of Economic Development					
601 Increased staffing, Civic and Community Center Financing Fund (PSL)	PSL	(50,000)	(50,000)	(50,000)	(50,000)
601 LB 1098 Appropriate funds, development districts	Gen	0	230,000	230,000	230,000
601 LB 773 Rural Workforce Housing Investment Fund	Cash	0	10,000,000	0	0
603 Nebraska Career Scholarships	Gen	0	1,000,000	2,000,000	3,000,000
655 Increased staffing, Civic and Community Center Financing Fund	Cash	(67,225)	(67,225)	(67,225)	(67,225)
655 Increased staffing, Civic and Community Center Financing Fund	Cash	67,225	67,225	0	0
655 Increased staffing, Civic and Community Center Financing Fund (PSL)	PSL	50,000	50,000	50,000	50,000

		Current	Biennium	Est for Follo	wing Biennium
	Fund	FY2019-20	FY2020-21	FY2021-22	FY2022-23
#76-Nebraska Indian Commission					
584 Increase cash fund authority, license plates and grant	Cash	20,000	0	0	0
#78-Crime Commission					
220 Create and hire a Research Analyst position, Community Corrections	PSL	12,256	42,613	42,613	42,613
#83-Community Colleges					
151 LB 894 Appropriate funds, community college aid, dual enrollment	Gen	0	1,000,000	1,000,000	1,000,000
#85-Public Employees Retirement Board					
515 Statutory Contribution - School 2%	Gen	0	460,351	460,351	460,351
515 Statutory Contribution - OPS service annuity	Gen	0	(82,083)	(82,083)	(82,083)
515 Actuarially required contribution - Judges plan	Gen	0	(160,206)	(160,206)	(160,206)
515 Actuarially required contribution - State Patrol plan	Gen	0	(87,130)	(87,130)	(87,130)
#87-Political Accountability and Disclosure					
94 Increased costs, support of database and electronic filing system	Gen	62,000	56,000	56,000	56,000
#94-Commission on Public Advocacy					
430 Transfer \$150,000 from State Settlement Fund to Legal Education for Public Service & Rural Practice Loan Repayment Assistance (LB 995)	Cash	0	Yes	Yes	Yes
Capital Construction Projects					
936 DHHS - Lincoln Regional Center, ligature mitigation facility changes	Gen	5,600,000	0	0	0
979 G & P - Cowboy Trail, flood damage	Gen	187,000	Ö	Ö	0
908 NETC - Replace tower lighting system, KMNE Bassett	Gen	270,000	Ō	Ō	0
900 Hist Society - Chimney Rock Visitor's Center Remodel	Cash	200,000	0	0	0
922 DAS - Capitol Dome long term repair	Gen	1,766,200	0	0	0
922 DAS - Capitol HVAC Project, cash flow	Gen	0	3,500,000	(1,411,172)	(2,088,828)
900 DAS - LB 1198 Restore Legislative Chamber leather doors	Gen	priority bill	priority bill	0	0

			Biennium		wing Biennium
	Fund	FY2019-20	FY2020-21	FY2021-22	FY2022-23
General Funds	Gen	63,374,369	(6,178,994)	(64,498,258)	(63,421,732
Cash Funds	Cash	11,393,986	15,145,080	2,846,277	2,846,277
Federal Funds	Fed	74,977	21,757,374	21,757,374	21,757,374
Revolving Funds	Rev	765,490	3,518,490	3,518,490	3,518,490
Total		75,608,822	34,241,950	(36,376,117)	(35,299,591
LAPSE OF REAPPROPRIATED BALANCES					
LAPSE OF REAPPROPRIATED BALANCES Courts - Prog 435 Community Corrections	Gen	0	0	0	(
	Gen Gen	0 (10,000,000)	0	0	(
Courts - Prog 435 Community Corrections		•	0 0 0	_	

Appendix B General Fund Appropriations by Agency

			FY2018-19	F	Y2019-20		F	Y2020-21		Change over	er Prior Ye	ar (excludes de	eficits)
			Without deficits	Enacted 2019 Session	2020 Deficits	Revised Per 2020 Session	Enacted 2019 Session	2020 Changes	Revised Per 2020 Session	FY20	FY20	FY21 \$ Change %	FY21
#03 #03	Legislative Council Legislative Council	Oper Total	20,618,873 20,618,873	21,233,246 21,233,246	0	21,233,246 21,233,246	21,692,920 21,692,920	57,000 57,000	21,749,920 21,749,920	614,373 614,373	3.0% 3.0%	516,674 516,674	
#05 #05 #05	Supreme Court Supreme Court Supreme Court	Aid Oper Total	300,000 187,043,520 187,343,520	500,000 195,447,322 195,947,322	0 0 0	500,000 195,447,322 195,947,322	500,000 199,189,998 199,689,998	0 1,095,675 1,095,675	500,000 200,285,673 200,785,673	200,000 8,403,802 8,603,802	66.7% 4.5% 4.6%	0 4,838,351 4,838,351	0.0% 2.5% 2.5%
#07 #07	Governor Governor	Oper Total	2,151,585 2,151,585	2,058,577 2,058,577	0	2,058,577 2,058,577	2,102,805 2,102,805	0 0	2,102,805 2,102,805	(93,008) (93,008)	-4.3% -4.3%	44,228 44,228	
#08 #08	Lt. Governor Lt. Governor	Oper Total	149,768 149,768	151,135 151,135	0 0	151,135 151,135	152,437 152,437	0 0	152,437 152,437	1,367 1,367	0.9% 0.9%	1,302 1,302	
#09 #09	Secretary of State Secretary of State	Oper Total	2,264,183 2,264,183	6,596,103 6,596,103	0	6,596,103 6,596,103	2,316,283 2,316,283	0 0	2,316,283 2,316,283	4,331,920 4,331,920	191.3% 191.3%	(4,279,820) (4,279,820)	
#10 #10	State Auditor State Auditor	Oper Total	2,485,756 2,485,756	2,579,272 2,579,272	0	2,579,272 2,579,272	2,641,806 2,641,806	0 0	2,641,806 2,641,806	93,516 93,516	3.8% 3.8%	62,534 62,534	
#11 #11	Attorney General Attorney General	Oper Total	6,551,897 6,551,897	6,475,924 6,475,924	0	6,475,924 6,475,924	6,606,854 6,606,854	0 0	6,606,854 6,606,854	(75,973) (75,973)	-1.2% -1.2%	130,930 130,930	
#12 #12 #12	State Treasurer State Treasurer State Treasurer	Aid Oper Total	0 1,157,357 1,157,357	0 1,154,310 1,154,310	0 0 0	0 1,154,310 1,154,310	0 1,171,439 1,171,439	0 0 0	0 1,171,439 1,171,439	0 (3,047) (3,047)	na -0.3% -0.3%	0 17,129 17,129	1.5%
#13 #13 #13	Education Education Education	Aid Oper Total	1,228,115,662 24,847,544 1,252,963,206	1,294,162,877 25,744,791 1,319,907,668	(319,400) 172,683 (146,717)	1,293,843,477 25,917,474 1,319,760,951	1,303,331,146 26,076,673 1,329,407,819	(20,300,839) 139,962 (20,160,877)	1,283,030,307 26,216,635 1,309,246,942	66,047,215 897,247 66,944,462	5.4% 3.6% 5.3%	471,844	-0.9% 1.8% -0.8%
#14 #14	Public Service Comm Public Service Comm	Oper Total	2,325,823 2,325,823	2,233,960 2,233,960	0	2,233,960 2,233,960	2,269,242 2,269,242	0 0	2,269,242 2,269,242	(91,863) (91,863)	-3.9% -3.9%	35,282 35,282	
#15 #15	Parole Board Parole Board	Oper Total	7,534,270 7,534,270	7,891,768 7,891,768	0	7,891,768 7,891,768	8,124,998 8,124,998	0 0	8,124,998 8,124,998	357,498 357,498	4.7% 4.7%	233,230 233,230	
#16 #16	Revenue Revenue	Aid Oper	98,300,000 26,728,444	103,100,000 27,417,676	4,100,000 0	107,200,000 27,417,676	106,800,000 27,674,896	5,000,000 0	111,800,000 27,674,896	4,800,000 689,232	4.9% 2.6%	8,700,000 257,220	

			FY2018-19	ı	Y2019-20		F	Y2020-21		Change over	er Prior Ye	ar (excludes de	eficits)
			Without deficits	Enacted 2019 Session	2020 Deficits	Revised Per 2020 Session	Enacted 2019 Session	2020 Changes	Revised Per 2020 Session	FY20 \$ Change %	FY20 Change	FY21 \$ Change %	FY21 Change
#18	Agriculture	Aid	456,000	456,000	0	456,000	456,000	250,000	706,000	0	0.0%	250,000	54.8%
#18	Agriculture	Oper	5,608,564	5,698,913	0	5,698,913	5,799,169	0	5,799,169	90,349	1.6%	100,256	1.8%
#18	Agriculture	Total	6,064,564	6,154,913	0	6,154,913	6,255,169	0	6,255,169	90,349	1.5%	100,256	1.6%
#21	Fire Marshal	Oper	4,172,967	4,231,522	0	4,231,522	4,345,277	0	4,345,277	58,555	1.4%	113,755	2.7%
#21	Fire Marshal	Total	4,172,967	4,231,522		4,231,522	4,345,277	0	4,345,277	58,555	1.4%	113,755	2.7%
#23 #23	Labor Labor	Oper Total	621,982 621,982	641,042 641,042	0	641,042 641,042	657,218 657,218	0	657,218 657,218	19,060 19,060	3.1% 3.1%	16,176 16,176	
#25 #25 #25	DHHS * DHHS *	Aid Oper Total	1,392,485,181 236,687,805 1,629,172,986	1,411,956,587 243,004,720 1,654,961,307	(12,000,000) 5,600,000 (6,400,000)	1,399,956,587 248,604,720 1,648,561,307	1,472,279,303 247,444,292 1,719,723,595	(12,517,179) 2,700,000 (9,817,179)	1,459,762,124 250,144,292 1,709,906,416	19,471,406 6,316,915 25,788,321	1.4% 2.7% 1.6%	47,805,537 7,139,572 54,945,109	
#27 #27	Transportation Transportation	Oper Total	0	100,000 100,000	0 0	100,000 100,000	0	0 0	0	100,000 100,000	na na	(100,000) (100,000)	
#28	Veterans Affairs *	Oper	25,901,529	26,582,179	0	26,582,179	27,182,314	0	27,182,314	680,650	2.6%	600,135	2.3%
#28	Veterans Affairs	Total	25,901,529	26,582,179	0	26,582,179	27,182,314	0	27,182,314	680,650	2.6%	600,135	2.3%
#29	Natural Resources	Aid	4,820,824	1,806,112	0	1,806,112	1,806,112	0	1,806,112	(3,014,712)	-62.5%	0	0.0%
#29	Natural Resources	Oper	10,169,740	10,388,164	0	10,388,164	10,577,369	0	10,577,369	218,424	2.1%	189,205	1.8%
#29	Natural Resources	Total	14,990,564	12,194,276	0	12,194,276	12,383,481	0	12,383,481	(2,796,288)	-18.7%	189,205	1.6%
#31	Military Dept	Aid	584,424	6,584,424	55,240,974	61,825,398	5,584,424	0	5,584,424	6,000,000	4.7%	(1,000,000)	-15.2%
#31	Military Dept	Oper	4,292,338	4,493,524	0	4,493,524	4,549,812	0	4,549,812	201,186		56,288	1.3%
#31	Military Dept	Total	4,876,762	11,077,948	55,240,974	66,318,922	10,134,236	0	10,134,236	6,201,186		(943,712)	-8.5%
#32	Ed Lands & Funds	Oper	345,999	368,003	0	368,003	376,041	0	376,041	22,004	6.4%	8,038	2.2%
#32	Ed Lands & Funds	Total	345,999	368,003	0	368,003	376,041	0	376,041	22,004	6.4%	8,038	2.2%
#33	Game & Parks	Aid	42,011	42,011	0	42,011	42,011	0	42,011	0	0.0%	0	1.6%
#33	Game & Parks	Oper	11,410,487	11,674,040	(187,000)	11,487,040	11,864,115	0	11,864,115	263,553	2.3%	190,075	
#33	Game & Parks	Total	11,452,498	11,716,051	(187,000)	11,529,051	11,906,126	0	11,906,126	263,553	2.3%	190,075	
#34	Library Commission	Aid	1,243,282	1,262,369	0	1,262,369	1,281,837	0	1,281,837	19,087	1.5%	19,468	1.5%
#34	Library Commission	Oper	2,566,631	2,623,236	0	2,623,236	2,668,610	0	2,668,610	56,605	2.2%	45,374	1.7%
#34	Library Commission	Total	3,809,913	3,885,605	0	3,885,605	3,950,447	0	3,950,447	75,692	2.0%	64,842	1.7%
#35	Liquor Control	Oper	1,273,897	1,333,267	0	1,333,267	1,395,509	0	1,395,509	59,370	4.7%	62,242	
#35	Liquor Control	Total	1,273,897	1,333,267	0	1,333,267	1,395,509	0	1,395,509	59,370	4.7%	62,242	
#36 #36	Racing Commission Racing Commission	Oper Total	0	60,000 60,000	0 0	60,000 60,000	0 0	0 0	0	60,000 60,000	na na	(60,000) (60,000)	

			FY2018-19	F	Y2019-20		F	Y2020-21		Change over Prior Year (excludes deficits)			
			Without deficits	Enacted 2019 Session	2020 Deficits	Revised Per 2020 Session	Enacted 2019 Session	2020 Changes	Revised Per 2020 Session	FY20	FY20 Change	FY21 \$ Change %	FY21
#46 #46 #46	Correctional Services Correctional Services Correctional Services	Aid Oper Total	3,500,000 211,920,240 215,420,240	3,500,000 219,851,700 223,351,700	0 2,788,166 2,788,166	3,500,000 222,639,866 226,139,866	3,500,000 227,927,994 231,427,994	500,000 6,223,465 6,723,465	4,000,000 234,151,459 238,151,459	7,931,460 7,931,460	0.0% 3.7% 3.7%	500,000 14,299,759 14,799,759	6.5%
#47 #47	NETC NETC	Oper Total	9,967,401 9,967,401	10,163,451 10,163,451	0	10,163,451 10,163,451	10,338,327 10,338,327	0	10,338,327 10,338,327	196,050 196,050	2.0% 2.0%	174,876 174,876	
#48 #48 #48	Coordinating Comm Coordinating Comm Coordinating Comm	Aid Oper Total	7,539,030 1,280,270 8,819,300	7,693,430 1,332,299 9,025,729	0 0 0	7,693,430 1,332,299 9,025,729	7,693,430 1,357,959 9,051,389	1,000,000 0 1,000,000	8,693,430 1,357,959 10,051,389	154,400 52,029 206,429	2.0% 4.1% 2.3%	1,000,000 25,660 1,025,660	1.9%
#50 #50	State Colleges State Colleges	Oper Total	51,620,804 51,620,804	53,548,946 53,548,946	0 0	53,548,946 53,548,946	55,527,357 55,527,357	1,000,000 1,000,000	56,527,357 56,527,357	1,928,142 1,928,142	3.7% 3.7%	2,978,411 2,978,411	5.6% 5.6%
#51 #51	University of Nebraska University of Nebraska	Oper Total	574,745,874 574,745,874	592,104,554 592,104,554	0	592,104,554 592,104,554	613,935,633 613,935,633	2,500,000 2,500,000	616,435,633 616,435,633	17,358,680 17,358,680	3.0% 3.0%	24,331,079 24,331,079	
#54 #54	Historical Society Historical Society	Oper Total	4,312,111 4,312,111	4,465,781 4,465,781	92,306 92,306	4,558,087 4,558,087	4,536,363 4,536,363	0 0	4,536,363 4,536,363	153,670 153,670	3.6% 3.6%	70,582 70,582	
#64 #64	State Patrol State Patrol	Oper Total	60,309,294 60,309,294	62,871,629 62,871,629	0	62,871,629 62,871,629	64,198,023 64,198,023	250,000 250,000	64,448,023 64,448,023	2,562,335 2,562,335	4.2% 4.2%	1,576,394 1,576,394	
#65 #65	Admin Services (DAS) Admin Services (DAS)	Oper Total	8,551,907 8,551,907	8,902,707 8,902,707	0	8,902,707 8,902,707	8,772,731 8,772,731	0 0	8,772,731 8,772,731	350,800 350,800	4.1% 4.1%	(129,976) (129,976)	-1.5% -1.5%
#67 #67	Equal Opportunity Equal Opportunity	Oper Total	1,260,357 1,260,357	1,261,453 1,261,453	0	1,261,453 1,261,453	1,287,346 1,287,346	0	1,287,346 1,287,346	1,096 1,096	0.1% 0.1%	25,893 25,893	
#68 #68	Latino American Comm. Latino American Comm.	Oper Total	211,023 211,023	256,904 256,904	0	256,904 256,904	262,746 262,746	0 0	262,746 262,746	45,881 45,881	21.7% 21.7%	5,842 5,842	
#69 #69	Arts Council Arts Council	Aid Oper	905,346 578,240	905,346 603,506	0 1,440	905,346 604,946	905,346 619,017	0 5,990	905,346 625,007	0 25,266	0.0% 4.4%	0 21,501	0.0% 3.6%
#70 #70	Foster Care Review Foster Care Review	Oper Total	2,081,930 2,081,930	1,941,852 1,941,852	0	1,941,852 1,941,852	1,981,200 1,981,200	0	1,981,200 1,981,200	(140,078) (140,078)	-6.7% -6.7%	39,348 39,348	
#72 #72 #72	Economic Development Economic Development Economic Development	Aid Oper Total	6,490,352 4,850,408 11,340,760	6,690,352 4,844,761 11,535,113	0 0 0	6,690,352 4,844,761 11,535,113	6,490,352 4,928,918 11,419,270	1,230,000 0 1,230,000	7,720,352 4,928,918 12,649,270	200,000 (5,647) 194,353	3.1% -0.1% 1.7%	1,030,000 84,157 1,114,157	15.4% 1.7% 9.7%
#76 #76	Indian Affairs Commission Indian Affairs Commission	Oper Total	230,128 230,128	236,225 236,225	0	236,225 236,225	241,161 241,161	0 0	241,161 241,161	6,097 6,097	2.6% 2.6%	4,936 4,936	

			FY2018-19	F	Y2019-20		F	Y2020-21		Change ov	er Prior Ye	ar (excludes de	eficits)
			Without deficits	Enacted 2019 Session	2020 Deficits	Revised Per 2020 Session	Enacted 2019 Session	2020 Changes	Revised Per 2020 Session	FY20 \$ Change	FY20 6 Change	FY21 \$ Change %	FY21 6 Change
#77 #77	Industrial Relations Industrial Relations	Oper Total	320,917 320,917	298,176 298,176	0	298,176 298,176	309,318 309,318	0	309,318 309,318	(22,741) (22,741)		11,142 11,142	
#78 #78 #78	Crime Commission Crime Commission Crime Commission	Aid Oper Total	7,510,876 4,621,432 12,132,308	7,746,420 5,010,824 12,757,244	0 0 0	7,746,420 5,010,824 12,757,244	7,766,036 5,103,302 12,869,338	0 0 0	7,766,036 5,103,302 12,869,338	,		19,616 92,478 112,094	1.8%
#81 #81 #81	Blind & Visually Impaired Blind & Visually Impaired Blind & Visually Impaired	Aid Oper Total	216,890 1,000,058 1,216,948	286,890 1,570,253 1,857,143	0 0 0	286,890 1,570,253 1,857,143	311,790 1,634,396 1,946,186	0 0 0	311,790 1,634,396 1,946,186	70,000 570,195 640,195	57.0%	24,900 64,143 89,043	4.1%
#82 #82	Deaf & Hard of Hearing Deaf & Hard of Hearing	Oper Total	1,003,151 1,003,151	1,030,129 1,030,129	0 0	1,030,129 1,030,129	1,051,593 1,051,593	0 0	1,051,593 1,051,593	26,978 26,978		21,464 21,464	
#83 #83	Community Colleges Community Colleges	Aid Total	98,575,874 98,575,874	100,547,391 100,547,391	0 0	100,547,391 100,547,391	102,558,339 102,558,339	1,000,000 1,000,000	103,558,339 103,558,339	1,971,517 1,971,517	2.0% 2.0%	3,010,948 3,010,948	
#84 #84 #84	Environmental Quality Environmental Quality Environmental Quality	Aid Oper Total	0 3,652,217 3,652,217	0 3,680,094 3,680,094	0 0 0	0 3,680,094 3,680,094	0 3,716,744 3,716,744	0 0 0	0 3,716,744 3,716,744	0 27,877 27,877	na 0.8% 0.8%	0 36,650 36,650	1.0%
#85 #85	Retirement Board Retirement Board	Oper Total	52,698,171 52,698,171	53,638,505 53,638,505	0 0	53,638,505 53,638,505	54,709,000 54,709,000	130,932 130,932	54,839,932 54,839,932	940,334 940,334	1.8% 1.8%	1,201,427 1,201,427	
#87 #87	Account/Disclosure Account/Disclosure	Oper Total	476,323 476,323	489,547 489,547	62,000 62,000	551,547 551,547	500,170 500,170	56,000 56,000	556,170 556,170	13,224 13,224	2.8% 2.8%	66,623 66,623	
#93 #93	Tax Equal/Review Comm Tax Equal/Review Comm	Oper Total	855,648 855,648	879,848 879,848	0 0	879,848 879,848	899,242 899,242	0 0	899,242 899,242	24,200 24,200		19,394 19,394	
	Construction	Total	21,739,000	38,265,811	7,823,200	46,089,011	27,489,461	3,500,000	30,989,461	16,526,811	76.0%	(7,276,350)	-19.0%
STAT	RATIONS TE AID STRUCTION		1,583,458,863 2,851,085,752 21,739,000	1,639,165,838 2,947,240,209 38,265,811	8,529,595 47,021,574 7,823,200	1,647,695,433 2,994,261,783 46,089,011	1,680,718,617 3,021,306,126 27,489,461	14,159,024 (23,838,018) 3,500,000	1,694,877,641 2,997,468,108 30,989,461	55,706,975 96,154,457 16,526,811	3.5% 3.4% 76.0%	55,711,803 50,227,899 (7,276,350)	1.7%
TOTA	AL GENERAL FUNDS		4,456,283,615	4,624,671,858	63,374,369	4,688,046,227	4,729,514,204	(6,178,994)	4,723,335,210	168,388,243	3.8%	98,663,352	2.1%

Appendix C
General Fund Appropriations by State Aid Program

		FY2018-19		FY2019-20			FY2020-21		Change o	ver Prior Y	ear (exclude deficits)	
		w/o	Per 2019	2020	Revised	Per 2019	2020	Revised	FY20	FY20	FY21	FY21
		Deficits	Session	Deficits	2020 Session	Session	Change	2020 Session	\$ Change	% Chng	\$ Change	% Chng
Courts	Court Appointed Special Advocate	300,000	500,000	0	500,000	500,000	0	500,000	200,000	66.7%	0	0.0%
Education	TEEOSA State Aid to Education	974,507,975	1,036,237,766	(319,400)	1,035,918,366	1,042,856,698	(20,300,839)	1,022,555,859	61,729,791	6.3%	(13,681,907)	-1.3%
Education	Special Education	226,526,585	228,791,851	0	228,791,851	231,079,770	0	231,079,770	2,265,266	1.0%	2,287,919	1.0%
Education	Aid to ESU's	13,085,000	13,352,558	0	13,352,558	13,613,976	0	13,613,976	267,558	2.0%	261,418	2.0%
Education	High ability learner programs	2,202,384	2,342,962	0	2,342,962	2,342,962	0	2,342,962	140,578	6.4%	0	0.0%
Education	Early Childhood grant program	3,474,583	3,619,357	0	3,619,357	3,619,357	0	3,619,357	144,774	4.2%	0	0.0%
Education	Early Childhood Endowment	4,800,000	5,000,000	0	5,000,000	5,000,000	0	5,000,000	200,000	4.2%	0	0.0%
Education	Nurturing Healthy Behaviors	384,000	400,000	0	400,000	400,000	0	400,000	16,000	4.2%	0	0.0%
Education	School Lunch	376,351	392,032	0	392,032	392,032	0	392,032	15,681	4.2%	0	0.0%
Education	Textbook loan program	446,880	465,500	0	465,500	465,500	0	465,500	18,620	4.2%	0	0.0%
Education	School Breakfast reimbursement	617,898	617,898	0	617,898	617,898	0	617,898	0	0.0%	0	0.0%
Education	Adult Education	206,077	214,664	0	214,664	214,664	0	214,664	8,587	4.2%	0	0.0%
Education	Learning Communities Aid	470,000	470,000	0	470,000	470,000	0	470,000	0	0.0%	0	0.0%
Education	Summer Food Service grants	86,400	90,000	0	90,000	90,000	0	90,000	3,600	4.2%	0	0.0%
Education	High School Equivalency Assistance	720,000	750,000	0	750,000	750,000	0	750,000	30,000	4.2%	0	0.0%
	Step Up to Quality Child Care-											
Education	Scholarship	96,000	100,000	0	100,000	100,000	0	100,000	4,000	4.2%	0	0.0%
Education	Step Up to Quality Child Care-Bonuses	66,240	69,000	0	69,000	69,000	0	69,000	2,760	4.2%	0	0.0%
Education	Vocational Rehabilitation	49,289	1,249,289	0	1,249,289	1,249,289	0	1,249,289	1,200,000		0	0.0%
Revenue	Homestead Exemption	84,100,000	88,700,000	4,100,000	92,800,000	92,000,000	5,000,000	97,000,000	4,600,000	5.5%	8,300,000	9.4%
Revenue	Personal Property Tax Relief Act	14,200,000	14,400,000	0	14,400,000	14,800,000	0,000,000	14,800,000	200,000		400,000	2.8%
Agriculture	Riparian Vegetation grants	456,000	456,000	0	456,000	456,000	250,000	706,000	0	0.0%	250,000	54.8%
DHHS	Behavioral Health Aid	71,872,571	75,388,670	0	75,388,670	71,995,541	0	71,995,541	3,516,099	4.9%	(3,393,129)	-4.5%
DHHS	Medical student assistance/RHOP	680,723	680,723	0	680,723	680,723	0	680,723	0	0.0%	0	0.0%
DHHS	Children's Health Insurance (SCHIP)	6,178,073	14,317,097	(2,000,000)	12,317,097	25,527,244	(1,748,490)	23,778,754	8,139,024	131.7%	9,461,657	66.1%
DHHS	Public Assistance	94,994,043	91,609,328	(4,000,000)	87,609,328	90,756,257	(4,000,000)	86,756,257	(3,384,715)	-3.6%	(4,853,071)	-5.3%
DHHS	Medicaid	849,628,184	860,304,131	Ó	860,304,131	917,144,136	4,106,086	921,250,222	10,675,947	1.3%	60,946,091	7.1%
DHHS	Child Welfare aid	197,071,388	197,032,479	(6,000,000)	191,032,479		(26,750,000)	172,174,830	(38,909)		(24,857,649)	-12.6%
DHHS	Developmental disabilities aid	150,279,443	150,880,903	0	150,880,903	144,893,404	12,362,347	157,255,751	601,460	0.4%	6,374,848	4.2%
DHHS	Community health centers	5,783,060	5,783,060	0	5,783,060	5,783,060	2,000,000	7,783,060	0		2,000,000	34.6%
DHHS	Health Aid	6,151,907	6,114,407	0	6,114,407	6,114,407	250,000	6,364,407	(37,500)	-0.6%	250,000	4.1%
DHHS	Care Management	2,315,560	2,315,560	0	2,315,560	2,315,560	0	2,315,560	0			0.0%

		FY2018-19		FY2019-20		i	Y2020-21		Change ov	ver Prior Y	ear (exclude de	eficits)
		w/o	Per 2019	2020	Revised	Per 2019	2020	Revised	FY20	FY20	FY21	FY21
		Deficits	Session	Deficits	2020 Session	Session	Change	2020 Session	\$ Change	% Chng	\$ Change	% Chng
DHHS	Area agencies on aging	7,530,229	7,530,229	0	7,530,229	8,144,141	1,262,878	9,407,019	0	0.0%	1,876,790	24.9%
Nat Resources Nat Resources	Nebr Water Conservation Fund Resources Development Fund	1,806,112 3,014,712	1,806,112 0	0 0	1,806,112 0	1,806,112 0	0	1,806,112 0	0 (3,014,712)	0.0% -100.0%	0 0	0.0% na
Military Dept Military Dept	Governors Emergency Program Guard tuition assistance	0 584,424	6,000,000 584,424	55,240,974 0	61,240,974 584,424	5,000,000 584,424	0	5,000,000 584,424	6,000,000 0	na 0.0%	(1,000,000) 0	-16.7% 0.0%
Game & Parks	Niobrara Council	42,011	42,011	0	42,011	42,011	0	42,011	0	0.0%	0	0.0%
Library Comm	Local libraries	1,243,282	1,262,369	0	1,262,369	1,281,837	0	1,281,837	19,087	1.5%	19,468	1.5%
Corrections	Vocational and Life Skills Program	3,500,000	3,500,000	0	3,500,000	3,500,000	500,000	4,000,000	0	0.0%	500,000	14.3%
Coord. Comm Coord. Comm	Nebr Opportunity Grant Program Access College Early Scholarship	6,593,430 945,600	6,593,430 1,100,000	0	6,593,430 1,100,000	6,593,430 1,100,000	1,000,000 0	7,593,430 1,100,000	0 154,400	0.0% 16.3%	1,000,000 0	15.2% 0.0%
Arts Council	Aid to arts programs	905,346	905,346	0	905,346	905,346	0	905,346	0	0.0%	0	0.0%
Econ Develop Econ Develop	State aid to development districts Business Innovation Act	470,000 6,020,352	670,000 6,020,352	0	670,000 6,020,352	470,000 6,020,352	230,000 0	700,000 6,020,352	200,000 0	42.6% 0.0%	30,000 0	4.5% 0.0%
Crime Comm Crime Comm Crime Comm Crime Comm Crime Comm Crime Comm	Juvenile services grants Community Based Juvenile Services aid Crimestoppers program County Justice Reinvestment Grants Victim Witness assistance Crime Victims reparations	564,300 6,048,000 12,919 480,000 50,457 19,200	564,300 6,048,000 12,919 480,000 50,457 19,200	0 0 0 0 0	564,300 6,048,000 12,919 480,000 50,457 19,200	564,300 6,048,000 12,919 480,000 50,457 19,200	0 0 0 0 0	564,300 6,048,000 12,919 480,000 50,457 19,200	0 0 0 0 0	0.0% 0.0% 0.0% 0.0% 0.0% 0.0%	0 0 0 0 0	0.0% 0.0% 0.0% 0.0% 0.0%
Crime Comm	Violence Prevention Grants	336,000	571,544	0	571,544	591,160	0	591,160	235,544	70.1%	19,616	3.4%
Blind & Vis Imp	Blind rehabilitation	216,890	286,890	0	286,890	311,790	0	311,790	70,000	32.3%	24,900	8.7%
	Aid to Community Colleges Dual enrollment aid	98,575,874	100,547,391 0	0	100,547,391 0	102,558,339 0	0 1,000,000	102,558,339 1,000,000	1,971,517 0	2.0% na	2,010,948 1,000,000	2.0% na
	Individuals/Other Local Government	1,415,580,493 1,435,505,259	1,437,130,930 1,510,109,279	(12,000,000) 59,021,574	1,425,130,930 1,569,130,853	1,497,317,630 1,523,988,496		1,487,530,451 1,509,937,657	21,550,437 74,604,020	1.5% 5.2%	50,399,521 (171,622)	3.5% 0.0%
	Total General Fund State Aid	2,851,085,752	2,947,240,209	47,021,574	2,994,261,783	3,021,306,126	(23,838,018)	2,997,468,108	96,154,457	3.4%	50,227,899	1.7%

Appendix D

General Fund Spending Assumptions - Following Biennium

For the "following biennium" (FY2021-22 and FY2022-23), the budget numbers reflect the annualized impact of the 2019 budget actions plus an estimate of future year increases in entitlement programs, salary and health insurance increases, and other funding requirements that are normally not optional. It is an estimate based on "current law", i.e. an estimate of future obligations with no change to the underlying law.

Amounts shown in this section do not reflect budget actions that might take place during the 2020 session including revised TEEOSA school aid estimates. The on-going impact of the 2020 items into FY22 and FY23 are shown with those individual items.

Table 12 Projected Budget Increases-Following Biennium (includes on-going impact of 2019 budget actions, excludes impact of any potential 2020 changes)

	•		•		.
	Anr	nual % Cha	inge	Projected	Increases
Dollar Changes from FY19 Base Year	FY22	FY23	2 Yr Avg	FY2021-22	FY2022-23
Aid to K-12 Schools (TEEOSA GF only)	8.1%	6.4%	7.2%	84,109,166	156,084,608
Special Education	2.5%	2.5%	2.5%	5,776,994	11,698,413
Community Colleges	3.5%	3.5%	3.5%	3,589,542	7,304,718
Homestead Exemption	3.0%	3.0%	3.0%	2,760,000	5,602,800
Personal Property Tax Relief Act	3.0%	3.0%	3.0%	444,000	901,320
Aid to ESU's	2.5%	2.5%	2.5%	353,980	716,809
Medicaid	4.5%	4.5%	4.5%	39,297,637	80,363,668
Medicaid Expansion	42.3%	3.9%	23.1%	18,553,208	20,970,007
Public Assistance	3.5%	3.5%	3.5%	3,176,469	6,464,114
Child Welfare Aid	4.5%	4.5%	4.5%	8,951,617	18,306,057
Developmental Disability aid	4.0%	4.0%	4.0%	5,795,736	11,823,302
Behavioral Health aid	2.5%	2.5%	2.5%	1,799,889	3,644,774
Children's Health Insurance (SCHIP)	5.4%	5.3%	5.4%	1,373,726	2,809,270
Business Innovation Act (LB334 intent)				4,000,000	4,000,000
All Other (Aid-Ind)	0.0%	0.0%	0.0%	261,493	529,522
Employee Salaries - State Agencies	2.5%	2.5%	2.5%	13,890,292	28,127,842
Employee Health Insurance - State Agencies	6.0%	6.0%	6.0%	5,676,415	11,693,416
University/Colleges increased funding	3.7%	3.7%	3.7%	24,933,908	50,671,214
Operations increase - State Agencies	2.0%	2.0%	2.0%	3,043,448	6,147,765
Juvenile Services - Courts	2.5%	2.5%	2.5%	1,363,365	2,760,815
Inmate per diem costs (Corrections)	3.0%	3.0%	3.0%	1,384,455	2,810,443
Staffing / costs, new facilities (Corrections)			specific	0	3,722,530
Retirement (defined benefit plans)			specific	1,000,000	2,100,000
All Other (Oper)			specific	1,163,045	1,074,379
Construction	21.2%	-13.8%	3.7%	5,814,467	1,202,794
Total General Fund Increases (Biennial Basis)	5.0%	4.1%	4.6%	238,512,852	441,530,580
Impact of 2020 Committee Proposed Adjustments				(65,761,136)	(64,684,610)
General Fund Increases with 2020 proposed actions	3.8%	4.2%	4.0%	172,751,716	376,845,970

Aid to Local Governments

<u>State Aid to Schools (TEEOSA)</u> The estimates for FY22 and FY23 are Legislative Fiscal Office estimates used at Sine Die 2019. The estimates reflect a growth in overall school aid of 6.7% in FY22 and 6.4% in FY23. The above average growth reflects a 4% per year estimate in school spending but low valuation growth of under 2% per year assuming a continued decline in agricultural land valuations.

The previous paragraph describes the estimates at Sine Die 2019. Impacts of the January 2020 preliminary certified TEEOSA amounts are shown separately on the Financial Status and are more fully described on page 18.

<u>Special Education</u> Increases for FY22 and FY23 reflect a 2.5% per year increase. Although statute allows for a growth up to 5% the 2.5% is equal to the basic allowable growth rate under the K-12 school spending limitation and TEEOSA calculations.

<u>Aid to Community Colleges</u> For the following biennium, a 3.5% per year annual increase is included reflecting increased state aid to support operations budget increases. This increase amounts to about a \$3.6 million per year increase.

<u>Homestead Exemption</u> A 3% per year annual increase is included for the following biennium budget reflecting some level of inflationary increases.

<u>Aid to ESU's</u> The amount of aid to ESU's is based on funding of a certain level of core services and technology infrastructure. Growth in aid is set at the same rate as the basic allowable growth rate under the K-12 school spending limitation (2.5% per year).

Aid to Individuals

<u>Medicaid</u> For the following biennium, the average growth is 4.5% per year. This reflects projected growth of 2.0% per year for population client eligibility and utilization and 2.5% per year for provider rates. This estimate also assumes no change in the federal match rate.

<u>Medicaid Expansion</u> The large growth in FY21-22 reflects annualizing to a full 12 months plus a continued ramp up of the expansion program.

<u>Public Assistance</u> A basic growth rate of 3.5% per year is utilized for the various Public Assistance programs for the following biennium. This reflects no growth for population client eligibility and utilization and 2.5% per year for provider rates and 5% for child care rates.

<u>Child Welfare</u> A basic growth rate of 4.5% per year is utilized for the various Child Welfare programs for the following biennium. This reflects a 2% per year growth for population client eligibility and utilization and 2.5% per year for provider rates.

<u>Children's Health Insurance (CHIP)</u> For the following biennium, a 4.5% per year increase is used which is the same as Medicaid.

<u>Developmental Disability Aid</u> A 4% per year increase is included. This provides the equivalent of 2.5% per year for rate equity similar to the employee salary assumption and 1.5% for clients transitioning from K-12

programs. As this projected budget assumes no expanded programs, nothing is assumed for funding of the waiting list.

<u>Behavioral Health Aid</u>. This area includes substance abuse and mental health aid. The increases in the following biennium reflect a 2.5% increase to reflect some annual increase in provider rates.

<u>Business Innovation Act</u> LB334 passed in the 2019 Session repealed Angel Investment Tax Credit Act and provided intent for the reallocation of the \$4 million per year which was saved due to repeal of the credits. For the first year funds are available, FY2020-21, the \$4 million was allocated to the Governors Emergency program to assist in covering flood damage costs. And then starting in FY2021-22, the bill provided intent language that the \$4,000,000 previously allocated to the Angel Investment Tax Credit Act be allocated the Business Innovation Act in the Department of Economic Development.

Agency Operations / Construction

<u>Employee Salary Increases</u> Although salary increases will be the result of bargaining, some level of increase is factored in more for illustration than planning purposes. A 2.5% per year increase is included which approximates inflation and the current biennium funding.

<u>Employee Health Insurance</u> For planning purposes, a 6% per year increase in health insurance is included for the following biennium, similar to the prior biennium.

<u>University and State Colleges Funding</u> Although shown as a separate item, the calculated amounts are based on applying the same salary and health insurance increases as noted for state employees planning purposes, and applying them to both the University and State Colleges.

<u>Operations Inflation</u> Included in the projected status is a general 2% increase in agency non-personnel operating costs. Although not provided as an across the board increase, this amount historically covers increases in utility costs at state and higher education facilities as well as food and other inflationary cost increases at 24/7 state facilities such as veterans homes, BSDC, etc...

<u>Inmate Per Diem Costs</u> While some costs at the Dept. of Correctional Services such as staffing are "fixed" within a range of inmate population, some costs change directly with each inmate. This includes items such as food, clothing, and medical care. A 3% per year increase is included.

<u>DCS Staffing and Operations</u> The amount shown in FY22-23 is the projected operating costs for the two new high security housing units at the Reception and Treatment Center in Lincoln. Completion of construction is estimated for November 2021 with projected operating costs estimated at \$3,722,530 per year.

<u>Defined Benefit Retirement Plans</u> The increase in for the defined benefit retirement plans for FY22 and FY23 reflects about a 2.5% increase in the 2% of pay contribution in the school plan.

<u>Capital Construction</u> General Fund dollars included in the projected budget for the following biennium for capital construction reflect reaffirmations only based on the proposed FY20/FY21 biennial budget. These are dollar amounts needed to complete funding of previously approved projects.